## UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

DARRICK AND YOLANDA GRIMES,

Plaintiffs,

VS.

FREMONT GENERAL CORPORATION, FREMONT INVESTMENT AND LOAN, JONATHAN TANENBAUM, AMERICA'S SERVICING COMPANY, U.S. BANCORP, AND U.S. BANK, NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTER ASSET BACKED SECURITIES TRUST 2006-FRE-1,

Defendants.

Civil Action No. 08-cv-01024 (JGK)

DECLARATION OF STEVEN M. HECHT IN SUPPORT OF MOTION TO DISMISS COMPLAINT PURSUANT TO RULE 12(b)(6) FOR FAILURE TO STATE A CLAIM

- I, **STEVEN M. HECHT**, hereby declare pursuant to 28 U.S.C. § 1746 as follows:
- 1. I am a member of the law firm Lowenstein Sandler PC, attorneys for Defendants America's Servicing Company ("ASC"), U.S. Bancorp ("US Bancorp") and U.S. Bank N.A. as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 ("US Bank/Trustee" and, collectively with ASC and US Bancorp, the "Moving Defendants") in the above-captioned matter. As such, I am familiar with the facts set forth herein. I submit this Declaration in support of the Moving Defendants' Motion to Dismiss the Complaint Pursuant to Rule 12(b)(6) for Failure to State a Claim.
  - 2. Attached hereto are true and correct copies of the following documents:

<u>EXHIBIT</u>	<u>DOCUMENT</u>				
Exhibit A	Complaint dated January 29, 2008 filed by Plaintiffs in this matter				
Exhibit B	Exhibit 3 to the Complaint filed by Plaintiffs in this matter				

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Exhibit C	Exhibit 12 to the Complaint filed by Plaintiffs in this matter				
Exhibit D	Exhibit 5 to the Complaint filed by Plaintiffs in this matter				
Exhibit E	Amended Answer dated July 9, 2007 filed by Plaintiffs in the foreclosure action pending against them in New York State Court, Index No. 06-10714				
Exhibit F	Verified Complaint dated December 21, 2006 filed by U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 in the foreclosure action pending against Plaintiffs in New York State Court, Index No. 06-10714				
Exhibit G	Exhibit 4 to the Complaint filed by Plaintiffs in this matter				
Exhibit H	Exhibit 8 to the Complaint filed by Plaintiffs in this matter				
Exhibit I	Exhibit 9 to the Complaint filed by Plaintiffs in this matter				

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated June 16, 2008

/s/ Steven M. Hecht, Esq. Steven M. Hecht (SH-0414)

#### LOWENSTEIN SANDLER PC

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Attorneys for Defendants America's Servicing Company, U.S. Bancorp, and U.S. Bank, N.A. as Trustee for Master Asset Backed Securities Trust

2006-FRE-1

7785132.01 2 Exhibit A

# Judge Koelil

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

Darrick Grimes and Yolanda Grimes,

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CV 01024

Plaintiffs.

Civil Action No.:
Jury Trial Demanded

COMPLAINT

Fremont General Corporation, Fremont Investment and Loan, WCS Lending LLC, Jonathan Tanenbaum, America's Servicing Company, U.S. Bancorp and U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1

Defendants.

#### PRELIMINARY STATEMENT

- 1. The ownership of a home is a fundamental bridge to financial security that has become an indispensable part of the "American Dream". It is the bedrock of economic security, as well as the primary vehicle by which families build wealth. Each year, predatory lending extracts billions of dollars of wealth from African-American homeowners and low-income and minority communities, depriving homeowners of their hard-earned equity and vitiating the promise of financial security that is the cornerstone of homeownership. Home equity accounts for more than one-third of the average net wealth of United States households. The lending industry has a long history of engaging in racial discrimination in connections with mortgage loans made to African-Americans, with products and terms that are drastically worse than those given their Caucasian counterparts.
- 2. Predatory lenders target the equity, and ultimately the homes, of vulnerable homeowners by extending unaffordable loans packed with excessive fees and interest rates. In recent years, predatory lenders have aggressively marketed an array of "exotic" or "non-traditional" loans to vulnerable homeowners. Many of these loans carry deceptively low initial "teaser" rates and other abusive terms, which obscure the true cost of the loan. By qualifying the

borrower for these loans at the initial rate, despite the borrower's inability to make future payments, lenders almost guarantee that the borrower will default on the loan.

- Predatory lenders aggressively fuel this process by rewarding mortgage brokers with an incentive structure that pays the broker more compensation through the yield spread premium ("YSP") for steering consumers into loans with higher interest rates than they qualify for with less favorable terms such as prepayment penalties. Subprime loans are high-cost mortgage products that are theoretically given to borrowers who have impaired credit. During the past 10 years, an entire "subprime" industry has been spawned by larger "profits generated by the higher rates and exorbitant fees charged to "high risk" borrowers.
- 4. Predatory lenders are also rewarded through higher interest rates for making socalled stated income loans or low documentation loans where the borrower's income is not verified through traditional documentation of income-even where documentation is, in fact, available. Thus, it is not surprising that the proliferation of predatory loans in the subprime mortgage market is one of the primary causes of the nationwide foreclosure epidemic.
- In 2006, the Center for Responsible Lending, a non-profit research organization, 5. found that even when income and credit risk were accounted for, African-American were still 31% to 34% more likely to receive higher rate subprime loans, and that the disparities between them and Caucasians with the same risk factors were "large and statistically significant". The lending industry has a long history of engaging in racial discrimination in connection with mortgage loans made to African-Americans, with products and terms that are drastically worse than those given to their Caucasian counterparts. Recently, the Federal Reserve Board concluded that African-Americans were more likely to pay higher prices for mortgages than their Caucasian counterparts.
- The United States Inspector General cited that report as showing "significant" 6. differences, making it "clear" that African-Americans were "much more likely to get higherpriced loans" than Caucasians. In addition to carrying higher interest rates, subprime loans to African-American are typically laden with improperly disclosed fees, including excessive

prepayment penalties which effectively prohibit borrowers from refinancing at a fairer rate.

- 7. The Center for Responsible Lending estimates that families lose \$23 billion each year from their home equity wealth because of prepayment penalties in subprime mortgage loans. African-Americans are more than three times as likely as Caucasians to be put into one of these equity-draining subprime loans. These predatory tactics have been disproportionately applied and targeted toward members of the African-American community.
- 8. In addition or in the alternative, under the guise of these purportedly faciallyneutral subprime loan policies and practices, Defendants, Fremont General Corporation, Fremont Investment and Loan and WCS Lending LLC had a discriminatory effect and created statistical disparities so great between African-American and Caucasian mortgagees as to be functionally equivalent to intentional discrimination. The use of Adjustable Rate Mortgages (ARM) consisting of a lower fixed rate for a short-term periods, followed by an increase to a higher, adjustable rate which would then increase every six month for the remaining years of the loan. These loans were known as 2/28 loans (2 year fixed/ 28 year adjustable rate).
- 9. Borrowers were qualified for ARM loans based on only the initial "teaser rate" without regard to their ability to pay beyond that teaser rate. Fremont mortgage brokers often promised borrowers they could simply refinance before the ARM adjustment, without disclosing that such refinancing was entirely dependent on continued price appreciation on their home.
- 10. In 2004, African-Americans homeowners who received subprime mortgage loans from Fremont Investment and Loan were 30% more likely to be issued high rate risky loans than Caucasian borrowers with the same qualifications. In another study, the National Community Reinvestment Coalition determined that lending institutions in six major metropolitan areas engaged in "pervasive discriminatory and predatory practices", including making high cost subprime loans to higher-qualified African-Americans 54% of the time, compared to 23% of the time for Caucasians, even when Caucasian applicants were similarly, and often less, qualified.
  - 11. These statistical disparities are not mere happenstance, but instead result from a

systematic and predatory targeting of African- Americans. African-American and Caucasian borrowers with the same qualifications should be treated equally. Instead, Fremont and WCS Lending have intentionally discriminated against African-American borrowers through deceptive, unfair acts and fraudulent practices to obtain a financial benefit for their own accounts. During the last decade, African-Americans have joined Hispanic borrowers in helping to fuel a multiyear housing boom, accounting for 49% of the increase in home ownership from 1995 to 2005, according to Harvard Joint Center for Housing Studies. Nonetheless, African-Americans are far more likely to have their "American Dream" unduly burdened with subprime loans than their Caucasian counterparts. While some borrowers in the subprime market are genuine credit risks, African-American borrowers have been targeted and illegally steered into subprime loans.

- The unsoundness and unduly lending practices by Fremont by way of 100% 12. financing, typically through an arrangement that provided one loan for 80% and a second, piggyback loan" for 20% of the purchase price. The disproportionate impact of foreclosures on minority communities, in particular African-American communities may be a predictable, but no less disturbing, reflection of the fact that African-American borrowers are more likely to receive high-rate risky APR loans than their white counterparts, regardless of their income levels or credit scores, which again has been confirmed by the Federal Reserve Board, recently released mortgage lending data under the federal Home Mortgage Disclosure Act ("HMDA"). The Defendants have engaged in a predatory subprime lending scheme, knowingly making loans with high loan-to-value ratios, in this case to borrowers who qualify for lower-cost or prime loans, in what amounts to a kind of "reverse redlining".
- In September 2007, the 2006 Home Mortgage Disclosure Act data was released. 13. The Federal Reserve Board's analysis of the data showed that high -APR lending is "notably greater" for African-Americans and Latinos than for non-white Latinos. This analysis of the 2006 HMDA data "revealed substantial differences across racial and ethnic lines in the incidence of higher-priced lending and in denial rates." The complexity of the issue should not be underestimated; we cannot ignore economic factors, but neither can we ignore a history of housing discrimination and resulting segregated housing patterns, imbalanced and unequal

access to financial services, and discriminatory lending practices.

14. The Plaintiffs bring this lawsuit to enjoin Defendants from continuing their discriminatory practices, to compel them to adhere to compliance of applicable federal and state laws, and to ensure Defendants' continuing compliance with applicable federal and state laws.

#### THE PARTIES

- Darrick Grimes and Yolanda Grimes are African-Americans homeowners who 15. face the possibility of losing their home because, they fell prey to a scheme to defraud. They were defrauded through forgery of signatures on documents as well as other deceptive and fraudulent acts of misrepresentation relative to obtaining a mortgage.
- 16. Darrick Grimes is an African-American male who currently lives in Newburgh, New York. Yolanda Grimes is an African-American female who currently lives in Newburgh, New York for the past two years. They currently reside in their home located at 23 Stacy Lee Drive, Newburgh, NY 12550 (the "subject property") which is the home they have resided in since October 29, 2005.
- 17 Upon information and belief, Fremont General Corporation is a publicly traded corporation organized under the laws of the State of Nevada and maintains its principal place of business at 2425 Olympic Boulevard, 3rd Floor, Santa Monica, California 90404 ("Fremont General").
- Upon information and belief, Fremont Investment and Loan is a wholly owned 18. subsidiary of Fremont General Corporation and is organized under the laws of the State of California and maintains its principal place of business at 2727 East Imperial Highway, Brea, California 92821 ("Fremont Investment and Loan").
- 19. Upon information and belief, Fremont Investment and Loan is a licensed mortgage banker in the State of New York and is and has been at all relevant times a wholly owned subsidiary of Fremont General.
  - Upon information and belief, at all relevant times prior to the commencement of 20.

this lawsuit, Fremont Investment and Loan was owned, dominated and controlled by Fremont General.

- Upon information and belief, Fremont Investment and Loan is a wholesale lender, 21. obtaining all of its loans through a network of independent mortgage brokers to sell unduly risky loans that were designed to fail, including loan products with 100% financing and adjustable rate mortgages (2/28 and 3/27 ARMs) with dramatic increases in monthly payments after two or three years.
- Upon information and belief, Fremont Investment and Loan requires all brokers 22. that it contracts with to become affiliated with Fremont Investment and Loan as well as its loan approval process.
- Upon information and belief, Fremont Investment and Loan offers and sells its 23. mortgage product, including the Adjustable Rate Mortgage products to consumers in the State of New York.
- Upon information and belief, Fremont Investment and Loan structured loan 24. products where borrowers were qualified for adjustable rate mortgages based upon the initial "teaser" lower interest rate, without regard to their ability to repay the debt back at a higher adjustable interest rate where monthly payments would increase with the adjustment rate.
- Upon information and belief, WCS Lending LLC is a licensed mortgage broker 25. under the laws of the State of Florida and maintains its principal place of business at 6501 Congress Avenue, Boca Raton, Florida 33487 ("WCS Lending").
- Upon information and belief, WCS Lending is organized under the laws of the 26. State of Florida and is a licensed mortgage broker in the State of New York.
- Upon information and belief, Jonathan Tanenbaum is a licensed mortgage broker 27. in the State of Florida and an employee of WCS Lending.
- Upon information and belief, Jonathan Tanenbaum and WCS Lending acted as 28. agents of Fremont Investment and Loan in carrying out the acts described in this complaint.

- 30. American Servicing Company is named as a necessary party to this action pursuant to Rule 19 of the Federal Rules of Civil Procedure.
- 31. Upon information and belief, U.S. Bank, National Association is a national banking association and, acts as Trustee for Master Asset Backed Securities Trust 2006 FRE-1 and/or any assignee and is organized under the laws of the State of South Carolina. ("U.S. Bank").
- 32. Upon information and belief, U.S. Bancorp is a bank holding company and maintains its principal place of business at 800 Nicollett Mall, Minneapolis, Minnesota 55402-4302.
- 33. U.S. Bancorp is named as a necessary party to this action pursuant to Rule 19 of the Federal Rules of Civil Procedure.
- 34. Upon information and belief, U.S. Bank, National Association, is the trustee for the securitization pool that contains the Grimes loan pursuant to a Pooling and Servicing Agreement dated August 1, 2006 between American Home Mortgage Assets, LLC, Wells Fargo Bank, N.A. and U.S. Bank, National Association as Trustee for the Master Asset Backed Securities Trust 2006-FRE-1 holds the pool and issues mortgage-backed pass through certificates.
- 35. Upon information and belief, U.S Bank, National Association's principal corporate office for administration of this trust is located at 800 Nicollett Mall, Minneapolis, Minnesota 55402-4302.
- 36. U.S. Bank, National Association is named as a necessary party to this action pursuant to Rule 19 of the Federal Rules of Civil Procedure.

Minneapolis, Minnesota 55402-4302.

#### STATEMENT OF FACTS

- In 2005, Darrick and Yolanda Grimes were looking to sell their home in St. 38. Albans, New York, to purchase their second home, a one-family property located at 23 Stacy Lee Drive in Newburgh, New York. They presently reside in this home with their two children.
- The Grimes' submitted an application to Washington Mutual sometime in July, 39. 2005 for a mortgage. On or about September 5, 2005, the Grimes were informed of Washington Mutual's denial for mortgage financing. They immediately began searching for other mortgage financing, as they had put a down payment on the property located at 23 Stacy Lee Drive, Newburgh, New York and did not want to risk losing their deposit.
- On September 6, 2005, Yolanda Grimes' did an internet search through 40. Nextag.com to locate a lending source. Her search revealed three different banks that would be willing to finance the transaction. Out of the three banks, Ms. Grimes chose one, Jonathan Tanenbaum of WCS Lending. The following day, Mr. Tanenbaum sent an e-mail introducing himself and his firm WCS Lending LLC as a reputable mortgage brokerage firm.
- Mr. Tanenbaum told the Grimes he could help them obtain their mortgage 41. financing at a reasonable 7% interest rate, enabling them to finance the purchase of their house. Mr. Tanenbaum also told the Grimes' that because he was dealing directly with lenders and investors, he would be able to find financing that would meet the lending guidelines and therefore incur the lowest costs possible in connection with the loan.

- Mr. Tanenbaum collected personal and income information from the Grimes' in 42. order to process a loan application, including the Grimes social security number, driver's licenses and bank statements and arranged an appraisal of the home.
- On or about September 12, 2005, Mr. Tanenbaum advised the Grimes that Mrs. 43. Grimes had pre-qualified for mortgage financing up to the amount of \$418,000 based upon in his words: "specifically, your credit history and assets are excellent and your income conforms to our investor guideline. From the time of the application, I would expect to obtain a mortgage commitment in approximately two (2) weeks." The Grimes received the mortgage application and related disclosure documents for a loan with a fixed 7% annual interest rate on September 13, 2005. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 1.
- Upon information and belief, on September 13, 2005 Mr. Tanenbaum and another 44. WCS Lending employee submitted the Grimes' mortgage application (without the Grimes knowledge) and related pre-disclosure documents to Fremont Investment and Loan on behalf of the Grimes. The mortgage application and pre-disclosure documents contained forged signatures as well as falsified information relating to inflated income ("Phantom Rental Income). A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 2.
- Upon information and belief, on September 13, 2005, WCS Lending sent the 45. Grimes' a packet of documents which included the mortgage application and related predisclosure documents with instructions for them to sign and return certain forms. A copy of said disclosure documents is attached hereto as Exhibit 3.
- Upon information and belief, on or about September 13, 2005, Mr. Tanenbaum 46. advised the Grimes's via e-mail communication that the signed mortgage application was not required for submission to Fremont Investment and Loan's underwriting department and that the appraisal of the house came in at \$460,000.
  - On or about September 14, 2005, the Grimes' told Mr. Tanenbaum that they 47.

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thought the approval process was being delayed. Mr. Tanenbaum assured the Grimes' that everything was moving smoothly. A copy of said disclosure documents is attached hereto as Exhibit 15.

- Mr. Tanenbaum then informed the Grimes that he needed a Residential House 48. Lease to support their mortgage application in the event their house in St. Albans, New York was not sold prior to closing date. His explanation for this was that the underwriters would have a level of comfort if the Grimes' were renting out their house in St. Albans, New York and receiving additional rental income, as opposed to carrying two mortgages.
- The Grimes strongly opposed any suggestion that the house had rental income and 49. did not supply Mr. Tanenbaum with a Residential House Lease because they were uncomfortable with lying in order to procure a mortgage. A copy of said documents is attached hereto as Exhibit 16.
- They felt their combined incomes were more than enough to qualify for a decent *5*0. mortgage and if not, they had nothing to lose because they already owned a home with substantial equity built-in over the dourse of seven years.
- Mr. Tanenbaum responded that it was routine and that he would speak directly 51. with the underwriters. For the next few weeks the Grimes were in touch with Mr. Tanenbaum via e-mail communications and telephone on a weekly basis.
- Upon information and belief, on September 16, 2005, Fremont Investment and 52. Loan notified WCS Lending and Jonathan Tanenbaum that the two mortgages were approved for the Grimes with certain terms and conditions. At no point in time, were Darrick and Yolanda Grimes aware that the mortgage had been approved on September 16, 2005. Mr. Tanenbaum and Fremont General, Fremont Investment and Loan and WCS Lending intentionally concealed the terms and conditions of the loan approval on September 16, 2005. A copy of documents is attached hereto as Exhibit 5.

- 53. Upon information and belief, on or about September 16, 2005, the conditional loan approval and issuance of the mortgage commitment letter was delivered by Fremont Investment and Loan to WCS Lending. A copy of said documents is attached hereto as Exhibit <u>5</u>.
- At no time between September 16, 2005 and October 12, 2005, did Defendants, 54. Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum provide written correspondence or confirmation, e-mail communications or a final underwriting loan approval letter to the Grimes. A copy of Fremont Loan Tracking documents are attached hereto as Exhibit 7.
- Under the terms of the loan, the conditional loan approval by Fremont Investment 55. and Loan was on September 16, 2005 and October 11, 2005, respectively and the Grimes did not receive any mortgage commitment letters on the initial or final loan approval.
- Upon information and belief on September 16, 2005, Fremont Investment and 56. Loan approved two mortgages in the amount that is described in the HUD-1 Settlement Statement and Good Faith Estimate. Even still, the Grimes never received a mortgage commitment letter from Fremont of WCS Lending. A copy of said documents is attached hereto as Exhibit 5 and Exhibit 6.
- Upon information and belief on September 26, 2005, Fremont Investment and 57. Loan issued a Conditional Countered Offer on two approved mortgages in the amount of \$405,000 and \$22,500 respectively, to WCS Lending as noted in the HUD-1 Settlement Statement and Good Faith Estimate. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 5.
- On or about September 20, 2005, the Grimes' completed, signed and dated the 58. mortgage application and related pre-disclosure documents with a fixed interest rate of 7.0% and submitted said documents to WCS Lending for mortgage financing. The Grimes combined income statements showed that they were earning roughly \$5,443.65 in net income and

\$8,007.14 in gross income per month for their respective employment. Copies of said document are attached hereto as Exhibit 3.

- 59. During the time period between September 22, 2005 and October 11, 2005, Mr. Tanenbaum and WCS Lending were intentionally concealing and stalling the Grimes' advising them that the loan was still pending with the lender when in fact the loan had been approved on September 16, 2005.
- 60. Mrs. Grimes kept asking and requesting from Mr. Tanenhaum to provide a copy of the mortgage commitment letter and the final numbers and terms and conditions of the mortgage loan prior to closing. Each time Mr. Tanenbaum came up with an excuse, which the Grimes' have now learned was a stalling tactic.
- 61. On or about October 4, 2005, Mrs. Grimes sent an e-mail to Mr. Tanenbaum again asking for the final numbers prior to closing. Again, Mr. Tanenbaum stalled them. The Grimes began to become very concerned as well as the Sellers since a mortgage commitment letter had not been issued. The Grimes even considered consulting another mortgage broker or bank. They advised Mr. Tanenbaum that they were considering consulting someone else to do the transaction and Mr. Tanenbaum continued to delay and stall but reassured the Grimes that he was working with a lender to obtain a reasonable fixed rate 30 year mortgage at 7% or thereabout.
- The Grimes subsequently called Mr. Tanenbaum again to inform him that they 62. were very concerned about the delay in obtaining a mortgage approval or commitment letter at a reasonable interest rate and they did not want to risk losing or forfeiting their earnest money deposit.
- The Grimes advised Mr. Tanenbaum that the Sellers were extremely concerned 63. about the long delay in obtaining mortgage financing and that transaction would need to proceed in a timely manner.

- **64.** In response, Mr. Tanenbaum told the Grimes not to worry and explained that as long as the valuation and appraisal on the house was above market, the approval of the loan would come in shortly. Mr. Tanenbaum added that after one or two years he would help the Grimes to refinance the mortgage into an even better loan without having to pay any additional closing fees and costs, and that this would be possible because WCS Lending would assist them with dramatically improving their credit scores.
- 65. These statements convinced the Grimes to wait a couple of more days for the approval of the mortgage with the lender. The Grimes were again relying on Mr. Tanenbaum's statements.
- 66. At no time during the time period between September 16, 2005 (the date the mortgage was approved) through October 12, 2005 did Fremont General, Fremont Investment and Loan, WCS Lending or Mr. Tanenbaum reveal, disclose, inform or provide a copy of any mortgage commitment letter issued by Fremont Investment and Loan or approval letter regarding the terms and conditions of the loans that were approved. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 6.
- The loan that the Grimes received, from Fremont Investment and Loan was not a 67. fixed-rate 30 year mortgage, but an adjustable rate mortgage (2/28) that contained a higher interest rate of 8.45% with a payment of \$3,807 that would call for an adjustable-rate increase in two years (after December 1, 2007) at an even higher interest rate.
- At the time the loans were originated, the Grimes had a joint net income of б8. \$5,489.26 per month. Their fully amortizing payment on the first monthly mortgage was \$3,807 per month, including school and property taxes and the second monthly mortgage was \$227 per month. A copy of said documents is attached hereto as Exhibit 14.
- Thus when Frement Investment and Loan was in the process of originating and 69. approving the loans, the loans were virtually designed to fail. Borrowers were placed in a position where the event of default was certain when the reset rate took place and their failure to make future payments would lead to a default, which in turn would lead to a foreclosure action, as it was predictably unsustainable for the borrowers to repay the debt.

- Through repeated misrepresentations, concealment of terms and conditions and 70. inaccurate disclosures, WCS Lending, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum prevented the Grimes from comprehending the truly destructive nature of the loan.
- Defendants, Fremont General, Fremont Investment and Loan and Jonathan 71. Tanenbaum engaged in unfair and deceptive conduct on a broad scale in connection with selling mortgage loans to New York State consumers, by selling exceedingly risky mortgage loan products that Fremont Investment and Loan knew or should have known were designed to fail, and including loan products that combined 100% financing, no income documentation ("stated income" loans), and adjustable rate mortgages that caused large increases in monthly mortgage payments after two (2) or three (3) years.
- Moreover, Fremont General and Fremont Investment and Loan recklessly and 72. aggressively pursued a business model of compensating mortgage brokers who referred business to them on a regular basis. Fremont Investment and Loan wholesale lending business grew by selling those loans through third-party mortgage brokers and providing financial incentives to those mortgage brokers to sell even higher costing loan products. Fremont failed to meaningfully monitor or control the unfair and deceptive conduct used by mortgage brokers of WCS Lending to sell Fremont Investment and Loan's loan products.
- Such conduct by WCS Lending in this case included the submission of forged and 73. falsified documents; steering and inducing borrowers into unsuitable loan products; and misleading borrowers about reasonable loan term offers and their ability to refinance to lower costing loan products.
- Defendants, Fremont General, Fremont Investment and Loan and WCS Lending 74. knew or should have known that certain loan products were unsuitable for the Grimes and that the Grimes' lacked the ability to repay the loans.
- Fremont General Corporation and Fremont Investment and Loan also failed to 75. exercise oversight over its mortgage brokers' network and failed to properly disclose broker

compensation in a timely manner prior to closing.

- 76. The Defendants' fraudulent and deceptive actions violated numerous federal and state consumer-protection laws, including the Truth in Lending Act; the Home Ownership and Equity Protection Act; the Real Estate Settlement Procedures Act; the New York State Deceptive Practices Act; the New York State Usury Law; and the common law doctrines of fraud and conspiracy to commit fraud.
- 77. The Grimes did not receive the Fremont "Mortgage Commitment Letter" or any written communications from WCS Lending or Fremont Investment and Loan regarding the terms and conditions of the loan or the formal approval of the loan until the day of closing of the loan (October 12, 2005). At this point, they had already put an earnest money deposit down on the home they were trying to purchase and did not want to risk losing their deposit. They were shocked at the closing to find out what the real numbers were.
- 78. The interest rate had changed from the interest rate on the application that they had signed, the mortgage was an ARM and not a traditional fixed 30 year mortgage, and there were fees being charged that were never discussed between the Grimes and Mr. Tanenbaum.
- 79. The Grimes' closed under extreme duress. They were bamboozled and sandbagged at the closing in from of the Sellers, their attorney and the real estate brokers. There was no way to get clarity regarding the numbers in this transaction from Mr. Tanenbaum, because unfortunately, he was out of the office on vacation on the day of the closing. The Grimes also tried to reach Mr. Tamenbaum on his mobile phone, but to no avail.
- When the Grimes returned home they began to feel uneasy about the transaction. 80. They worried that they had been pressured into a bad deal without being allowed to properly review the terms and conditions of the loans or the loan documents as well as properly consult with their attorney.
- The Grimes called Mr. Tanenbaum several times per day for approximately one 81. week after the closing, both at work and on Mr. Tanenbaum's mobile phone, intent on

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refinancing or modifying the terms of the mortgage they had been pressured into signing - to no avail.

- 82. Documents relating to the Grimes mortgage reveal that the terms they ultimately received were considerably different than both the terms described by Mr. Tanenbaum and the terms reflected in the initial disclosure documents that WCS Lending or Fremont Investment and Loan had mailed to the Grimes several weeks earlier.
- 83. Defendants, Mr. Tanenbaum, WCS Lending and Fremont Investment and Loan misrepresented, misled and intentionally concealed the true terms and conditions of the loan to the Grimes regarding several material facts of the loan, enticing them to sign a loan that stripped tens of thousands of dollars in equity from their home; that would cost them, over the life of the loan, almost two-and-a-half times as previously represented; and whose monthly payments would quickly rise above their ability to repay, exposing them to significant risk of foreclosure.
- 84. Unbeknownst to the Grimes the 7% interest rate that they were promised lasted for only one day.
- 85. Upon information and belief, on the September 16, 2005, the conditional loan approval delivered to WCS Lending indicated that the initial interest rate for the first mortgage was structured at 8.00% Adjustable Rate fixed for 2 years with a 1.5% Yield Spread Premium and the second mortgage at 11.59% for 15 years fixed. A copy of said document is attached hereto as Exhibit 5.
- 86. Upon information and belief, the conditional loan approval rate of 8.00% on September 16, 2005 increased to a final loan approval on October 11, 2005 to 8.45% by Fremont Investment and Loan. A copy of said document is attached hereto as Exhibit 5.
- 87. The actual loan the Grimes were qualified and approved for by Fremont Investment and Loan was a first indrtgage at 8.45% adjustable rate fixed for 2 years and second mortgage at 12.49% for 15 years fixed with a 1.5% Yield Spread Premium to the mortgage broker paid by Fremont.
  - On October 12, 2005, the day of the closing, the Grimes' received a first 88.

mortgage of \$405,000 with an interest rate of 8.45% and a second mortgage of \$22,500 with an interest rate of 12.75% from Fremont Investment and Loan. The monthly payment for the first mortgage was approximately \$3,807.87 for the first twenty-four months which covered both interest and principal per month (including escrow for school and property taxes); the monthly payment for the second mortgage was \$277.18. The first mortgage was structured as an ARM, originating as a 2/28 residential mortgage loan product.

- 89. Defendants, Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending knew or should have known that the Grimes did not have sufficient income to repay the loan as structured by the lender. The Grimes combined income statements showed that they were earning roughly \$5,443.65 in net income and \$8,007.14 in gross income per month from their respective employment. A copy of said income statements is attached hereto as Exhibit 14.
- Moreover, because the second mortgage contained a significant prepayment 90. penalty for the first year (six months' interest) refinancing within the first year in order to avoid the payment shock of the reset would only further add to the growing principal balance, making refinancing the monthly payments unaffordable for the Grimes. This prepayment penalty effectively trapped the Grimes into a loan that they could not afford.
- The HUD-1 Settlement Statement dated October 12, 2005, indicates that \$11,365 91. in broker fees and miscellaneous fees were paid to WCS Lending for "steering" the Grimes to the subject lender, and that the Grimes' incurred \$22,649.38 in settlement charges. A copy of the HUD-1 Settlement Statement dated October 12, 2005 is attached hereto as Exhibit 13.
- The HUD-l Settlement Statement indicates that the settlement charges were 92. \$22,649.38. The charges on this statement do not add up correctly and include "addendum charges" of \$19,690.
- The HUD-1 Settlement Statement also indicates that Fremont Investment and 93. Loan paid WCS Lending \$6,074.75 as an "YSP", or service release premium, commonly known as a yield spread premium ("YSP"). By its definition a yield spread premium is a rebate retained by the broker. Lenders pay these rebates on high-rate loans.
- Upon information and belief, WCS Lending provided no service to the Grimes 94. nor did they add any additional value to the transaction except to induce and steer the borrowers

into a loan with unfavorable terms and high risk.

- 95. The HUD-1 settlement statement also shows that WCS Lending was paid a \$945 "Processing Fee" out of the proceeds of the loan.
- 96. Upon information and belief, WCS Lending received this compensation from Fremont Investment and Loan solely for the purpose of steering and inducing the Grimes' to take out a loan on terms less favorable than were otherwise available to them.
- 97. The initial mortgage disclosure documents that the Grimes received from Fremont Investment and Loan and WCS Lending obscured the true terms of the loan and even reinforced Mr. Tanenbaum's misleading description of the loan. A copy of said fraudulent mortgage application and disclosure documents is attached hereto as Exhibit 3.
- 98. The "monthly mortgage payment" far exceeded the Grin es net monthly income by any reasonable income to debt expense ratio of 74.5% per month which would result in their inability to repay each month.
- 99. The first and second monthly mortgage payments of \$4,084,00 per month was 74.5% the Grimes' combined net monthly income of \$5,443.65. This clearly shows that the Grimes could not afford said mortgage going forward. How were they expected to pay other expenses and additional debts?
- 100. The Defendants sole purpose of concealing and misleading the true cost of the adjustable rate mortgage and actual terms and conditions of the mortgage was to defraud and induce the Grimes into entering into an unsuitable mortgage loan.
- Fremont Investment and Loan has a duty to disclose and provide every borrower with a mortgage commitment letter outlining in simple basic terms the amount of money being loaned and the terms and conditions of the loan.
- 102. These material misrepresentations were instrumental in inducing the Grimes to sign the loan documents at closing.
  - The Defendants coacealed material facts about the loan that surely had the Grimes 103.

knew about these facts, they would not have accepted the loan. In addition to the concealment and failure to properly disclose the material terms of the true cost of the loan, Mr. Tanenbaum concealed many fees that were charged to Grimes.

- Mr. Tanenbaum told the Grimes that they would be reimbursed for the appraisal report which they had paid \$400. The Grimes were never reimbursed for the appraisal, and now wonder if the appraisal were inflated to complete this transaction.
- Mr. Tanenbaum also promised and assured the Grimes that he could help them refinance after one year. Yet Mr. Tanenbaum failed to inform the Grimes that the second mortgage contained a one-year prepayment penalty that would likely cost the Grimes more money if they were to refinance within one year.
- Only after signing the loan documents at closing did the Grimes realize that Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending had intentionally blindsided them at closing in front of the Sellers. This pervasive predatory lending scheme was purposefully structured and designed to lure the Grimes into possible foreclosure as well as years of damaging credit rating. A copy of said documents is attached hereto as Exhibit 13.
- Upon information and belief, on or about February 1, 2006 after the Grimes' loan originated, the first mortgage was transferred, assigned and/or sold to Wells Fargo & Co.-America's Servicing Company through a series of transactions. The loan was securitized and placed into a trust, U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1. Defendant U.S. Bank, N.A. is the trustee for Master Asset Backed Securities Trust 2006-FRE-1 and defendant U.S. Bank, N.A. is the custodian who now holds Grimes' mortgage loan. A copy of said letter from Fremont to the Grimes explaining that their mortgage had been transferred is attached hereto as Exhibit 9.

#### JURISDICTION AND VENUE

- This Court has federal jurisdiction over plaintiffs federal claims pursuant to 28 108. U.S.C. § 1331 and 1343.
  - This Court has supplemental jurisdiction over plaintiffs pendent state law claims 109.

pursuant to 28 U.S.C. § 1367.

110. Venue is proper in this judicial district pursuant to 28 U.S.C. § 139 1(b) because a substantial portion of the events giving rise to this complaint occurred within the Southern District of New York.

#### FIRST CAUSE OF ACTION TRUTH IN LENDING ACT

(Against Fremont General Corporation, Fremont Investment and Loan, WCS Lending, America's Servicing Company, US Bancorp., and U.S. Bank, National Association as Trustee for Master Asset Backed Securities Trust 2006-FRE-1)

- Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 110 as though the same were fully set forth herein.
- At the time of the subject transaction, defendant, Fremont Investment and Loan 112. acted as a creditor who regularly engaged in the making of mortgage loans for which the payment of a finance charge is or may be required. This is the case whether in connection with loans, sales of property or services, or otherwise. Accordingly, defendant is subject to the Truth in Lending Act ("TILA"), 15 U.S.C. § 1601 et seq., and its implementing regulations, Federal Reserve Board Regulation Z, 12 C.F.R. § 226.
- As a result of the subject transaction, defendants acquired an interest in plaintiff's primary dwelling that secures payment or performance of an obligation.
- Upon information and belief, in the course of this consumer credit transaction, 114. defendants violated the disclosure and rescission requirements of TILA and Regulation Z by failing to provide two copies of the notice of the right to rescind and an accurate date for the expiration of the rescission period, in violation of 15 U.S.C. § 1635 and 12 C.F.R. § 226.23(b).
- In the course of this consumer credit transaction, because of fraud, forgery and 115. conflicting representations, defendants failed to make required material disclosures clearly and conspicuously in writing in violation of 15 U.S.C. § 1632(a) and Regulation Z § 226.17(a) and therefore failed to deliver all "material" disclosures as required by the Act and Regulation Z,

## including the following:

- a) failing to properly and accurately disclose the "amount financed," in violation of 15 U.S.C. § 1638(a)(2) and 12 C.F.R. § 226.18;
- b) failing to properly and accurately disclose the "finance charge," in violation of 15 U.S.C. § 1638(a)(3) and 12 C.F.R. § 226.18;
- c) failing to properly and accurately disclose the "annual percentage rate," in violation of 15 U.S.C. § 1638(a)(4) and 12 C.F.R. § 226.18;
- d) failing to properly and accurately disclose the "total of payments," in violation of 15 U.S.C. § 1638(a)(5) and 12 C.F.R. § 226.18(h); and
- e) failing to properly and accurately disclose the numbers, amounts, and due dates or period of payments scheduled to repay the obligation, in violation of 15 U.S.C. §1638(a)(6) and 12 C.F.R. § 226.18(g).
- The 'TILA violations' described at paragraphs 112, 114 and 115 above give plaintiffs an extended right to rescind the loan held by defendants pursuant to 15 U.S.C. § 1635 and 12 C.F.R. § 22623. Plaintiffs is also entitled to an extended right of rescission against any assignees of the loan pursuant to 15 U.S.C. § 1641(c).
- On December 28, 2006, September 28, 2007 and October 15, 2007, the Grimes' rescinded the transaction by mailing a notice of rescission to America's Servicing Company, an agent of U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1, whom the Grimes' had been made to believe was their new lender. The notice of rescission was mailed to America's Servicing Company's Legal Department. Copies of said letters are attached hereto as Exhibit 8.
- The Grimes' sent several letters to America's Servicing Company and U.S. Bank, National Association, as Trustee for Master Backed Securities Trus: 2006 FRE-1 and had numerous telephone calls with their Loss Mitigation and legal departments regarding the

fraudulent acts surrounding their loan. The Grimes also made several attempts to rescind the transaction after discovering the forged documents. The Grimes received the forged documents sometime in March, 2007, after filing a complaint with various federal and state regulatory agencies, including, but not limited to the Federal Trade Commission, U.S. Department of Housing and Urban Development, Fair Housing Division, Office of Attorney General State of New York, New York State Department of Banking and New York State Executive Division of Human Rights. The documents were submitted to the New York State Banking Department, Mortgage Division by Fremont Loan and Investment in response to the Grimes' complaints. Copies of said documents are attached hereto as *Exhibit 10*.

- 119. Any assignees of the loan are liable for all of the above claims that the Grimes' assert against Fremont Investment and Loan pursuant to 15 U.S.C. § 1641(d).
- 120. Upon information and belief, defendants also violated the disclosure requirements of TILA and Regulation Z by failing to provide either an itemization of the amount financed, a qualified substitution for the itemization of the amount financed, or a statement that the Grimes' had a right to request such an itemization, in violation of 15 U.S.C. § 1638(a)(2)(B) and 12 C.F.R. § 226.18(c).
- 121. As a result of the aforesaid violations of TILA and Regulation Z, Fremont Investment and Loan and any assignees are liable to plaintiffs for:
  - a) the return of any money or property that has been given to anyone in connection with the transaction and the termination of defendant's security interest in the property;
  - b) actual damages in an amount to be determined at trial;
  - c) statutory damages as provided by 15 U.S.C. § 1640;
  - d) costs and disbursements; and

e) attorneys' fees to the plaintiffs' counsel.

# SECOND CAUSE OF ACTION HOME OWNERSHIP AND EQUITY PROTECTION ACT

(Against WCS Lending I.LC, Jonathan Tanenbaum, Fremont General Corporation, Fremont Investment and Loan, US Bancorp. and America's Servicing Company and US Bank, NA, as Trustee for the Master Asset Backed Trust 2006-FRE-1)

- 122. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 121 as though the same were fully set forth herein.
- 123. The Home Ownership and Equity Protection Act ("HOEPA"), 15 U.S.C. § 1639, is an amendment to TILA and offers further protections for high rate morngages, as defined by 15 U.S.C. § 1602(aa)(1)(B)(i), Federal Reserve Board Regulation Z, 12 C.ER § 226.32.
- 124. A mortgage that is a credit transaction secured by the consumer's principal dwelling and whose "total points and fees" exceed eight percent of the total loan amount is a high rate mortgage within the meaning of the HOEPA. 15 U.S.C. § 1602(aa)(I)(B)(i).
- 125. The subject consumer credit transaction between the Grimes' and Fremont Investment and Loan was secured by the Grimes' principal dwelling.
- 126. Upon information and belief, the subject loan transaction between the Grimes' and Fremont Investment and Loan is subject to HOEPA because, among other things, the total points and fees payable by the Grimes' exceeded eight percent of the total loan amount.
- 127. Fremont Investment and Loan and WCS Lending violated HOEPA and Regulation Z by:
  - a) failing to provide the Grimes' with a required timely and accurate material disclosures required under HOEPA at least three business days prior to the consummation of the transaction, in violation of 15 U.S.C. § 1639(a) and (b) and 12 C.F.R. § 226.32(c);
  - b) providing the Grimes' with a loan that contains a prepayment penalty, in

violation of 15 U.S.C. § 1639(c) and 12 C.F.R. § 226.32(d)(6);

- c) providing the Grimes' with a loan that contains negative amortization terms, in violation of 15 U.S.C. § 1639W and 12 C.R.F. § 226.32(d)(2); and
- d) extending credit without regard to the Grimes' ability to pay the debt, in violation of 15 U.S.C. § 1639(h) and 12 C.R.F. § 226.34(a)(4).
- Fremont Investment and Loan's violations of HOEPA and Regulation Z give the Grimes' a statutory right to rescind the Fremont Investment and Loan mortgage loan pursuant to 15 U.S.C. § 1635 and 1639(j) and 12 C.F.R. § 226.23.
- Any assignees of the loan are liable for all claims that the Grimes' asserts against America's Servicing Company and U.S. Bank, National Association, as Trustee for the Master Asset Backed Securities Trust 2006-FRE-1 pursuant to 15 U.S.C. § 1641(d).
- As a result of the aforesaid violations of HOEPA and Regulation Z, America's Servicing Company and U.S. Bank, National Association, as Trustee for the Master Asset Backed Securities Trust 2006-FRE-1 and any assignees are liable to plaintiffs for:
  - a) rescission of the mortgage loan transaction, termination of any interest created under the transaction, and return of any money or property given by Fremont Investment and Loan to anyone in connection with this transaction;
  - b) actual damages in an amount to be determined at trial;
  - c) statutory damages as provided by 15 U.S.C. § 1640;
  - d) costs and disbursements; and
  - e) attorneys' fees to plaintiffs' counsel.

# THIRD CAUSE OF ACTION NEW YORK STATE GENERAL BUSINESS LAW § 349 ("DECEPTIVE PRACTICES ACT")

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2005-FRE-1)

- 131. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 130 as though the same were fully set forth herein.
- 132. Defendants "conducted a business" and/or "furnished a service" within the meaning of New York State General Business Law § 349.
- As a holding company, Fremont General owed a variety of duties under the 133. Holding Company Act and other provisions of the federal and states laws, including the California and New York States banking laws and regulations.
- Among those was the duty to ensure that its wholly-owned subsidiary, Fremont 134. Investment and Loan made regular, accurate and complete material disclosures to consumers regarding the true cost and accurate terms and conditions and risk associated with its mortgage loan products.
- Fremont General also had a duty, apart from the Holding Company Act, to be truthful when it communicated with the Commissioner of the Federal Deposit Insurance Corporation, and various State Attorney General Offices located throughout the United States of America, including the State of New York Attorney General Office. Fremont had a duty not to conceal information regarding its lack of supervision or oversight over its wholly-owned subsidiary Fremont Investment and Loan.
- 136. Because of Fremont General's lack of oversight and management supervision over its wholly-owned subsidiary. Fremont Investment and Loan; Fremont Investment and Loan's was able to provide a series of misrepresentations and concealment of material information directly to consumers throughout country.
  - Furthermore because of Fremont Investment and Loan' misrepresentations and

concealment of the true terms and conditions of the loan, the Grimes did not know when the mortgage commitment letter was issued to WCS Lending or what the true terms and conditions of the mortgage were at the time of issuance.

- Despite these duties, Fremont General's omissions, misrepresentation and concealment regarding the lack of management oversight and supervision of its wholly-owned subsidiary, Fremont Investment and Loan created hundreds or thousands of adverse events for many consumers, in particular African-American consumers whose mortgage loan products were structured with a high risk of default resulting in foreclosure.
- A lender owes a contractual and common law duty to its customers to underwrite loans or mortgages for the mutual benefit of the borrower and the lender. Fremont Investment and Loan and WCS Lending made representations to justify payment of the Yield Spread Premium to WCS Lending for steering the Grimes to them. They never expected the Grimes to discover the forged documents or the false information they provided on the fraudulently submitted loan application - (phantom rental and inflated income). These acts and the presentation of these fraudulent documents is what were utilized to get the loan approved through the Fremont's underwriters. Copies of said fraudulent disclosure documents are attached hereto as Exhibit 2, Exhibit 4 and Exhibit 12.
- Defendants, Fremont General, Fremont Investment and Loan and WCS Lending 140. and Jonathan Tanenbaum are all in violation the Deceptive Practices Act, New York General Business Law § 349, ("§ 349"). Defendants willful violations of the New York State General Business Law § 349 - Deceptive Practices Act clearly demonstrates the intentional and willful intent to defraud and discriminate against African-Americans and other minority groups within the state from as far as the State of Florida and California to make a profit. The deceptive acts and practices include, but were not limited to, those set forth below.
- Defendants, Frement Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally misled plaintiffs into thinking that the financing for the purchase of their house would be a stated and reasonable interest rate of 7% per annum for a fixed 30 year mortgage. Copies of said documents is attached hereto as Exhibit 3.
  - Defendants, Frement Investment and Loan, WCS Lending and Jonathan

Tanenbaum misled plaintiffs to enter into a mortgage that was unaffordable and that far exceeded the debt to income ratio of 50%, when in fact the actual debt to income ratio expense was 74.5% of the plaintiffs' net income.

- Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally misled plaintiffs into thinking that the mortgages they entered were affordable based upon their combined net incomes, but concealed the fact that their reliance of the loans was based upon fraudulent Phantom Rental Income to support the unaffordable mortgage payments. The defendants intentionally targeted people of color including plaintiffs, and primarily non-white neighborhoods in submitting mortgage applications to Fremont Investment and Loan to obtain quick loan approval based upon fraud, misrepresentation and omissions of material facts concerning rental income on property in Queens, New York, that was on the market for sale at the time.
- Defendant, Fremont Investment and Loan originated two loans to plaintiffs that 144. required documented income statements and verification of the phantom rental income that was fraudulently submitted with the mortgage application by WCS Lending and Jonathan Tanenbaum. A copy of said documents is attached hereto as Exhibit 2, Exhibit 4, and Exhibit <u> 12</u>.
- Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum misled plaintiffs to enter into a high interest-rate balloon second mortgage that they could not afford and that would inevitably lead to the loss of their home, and that when combined with the first mortgage, entirely exceeded the value of the property.
- Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum charged plaintiffs' excessive loan origination and mortgage broker fees based upon fraudulent acts and services being provided. A copy of said disclosure documents is attached hereto as Exhibit 13.
- 147. Defendants, WCS Lending and Jonathan Tanenbaum charged plaintiffs' \$4,050 worth of brokers' fees, in the transaction, well beyond any reasonable industry standard, and then failed to disclosed these unreasonable fees as financed charges, as required by federal law. (12

C.F.R. Sec. 226.4(c)(7)). A copy of said disclosure documents is attached hereto as *Exhibit 4*.

- 148. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally misled plaintiffs by failing to provide them with a Good Faith Estimate of settlement cost prior to closing their mortgage loans, in violation of federal Real Estate Settlement Procedures Act and regulations (24 C.F.R. Section 3500.7). A copy of said disclosure documents is attached hereto as Exhibit 4.
- Defendant, Fremont Investment and Loan, as a national mortgage lender that was actively involved in the subprime lending market, targeted people of color including plaintiff and primarily non-white neighborhoods, when seeking to consummate real estate transaction on terms that were grossly unfair and abusive; a mortgage lender has a duty to consider if a breach of their lender's underwriting process (which determines the amount of interest rate that a borrower will be charged) focused solely on obtaining an approval on a loan to cover the lender's retained risk, without regard to whether a borrower's ability to repay.
- Because the prepayment penalty is computed as six months interest on the 150. principal balance of the second mortgage, and because-unlike a traditional loan, the principal balance of the first mortgage is subject to an adjustable rate increases after 2 years with the next schedule monthly payment to be higher than the first twenty-four months payments, the penalty for Grimes is to refinance this loan within two years of origination.
- In other words, if the Grimes had refinanced on January 1, 2006, they would have 151. had to incur a penalty of approximately \$1,345.00. This prepayment penalty further demonstrates the unfair and deceptive nature of the loan and its unsuitability for the Grimes.
- Defendants' willful and malicious inclusion of a one year prepayment penalty 152. violates New York State General Obligations Law § 5-501(3)(b) and constitutes an unfair, misleading and deceptive trade practice under § 349.
- Upon information and belief, the YSP paid by Fremont Investment and Loan to WCS Lending was excessive and was unrelated to any service or benefit provided to the Grimes.
  - Defendants knew or should have known that the Grimes' could not afford to make 154.

their payments on the loan necessary to pay the interest or interest and principal on the loan or sustain the monthly mortgage payments after December 2007.

- 155. Defendants making of a mortgage loans to the Grimes' that defendants knew they could not repay willfully and maliciously deceived and misled consumers, specifically the Grimes', violating § 349.
- 156. Defendants lending to the Grimes' without consideration of their ability to repay the mortgage constitutes an unfair, misleading, and deceptive trade practice under § 349.
- 157. Defendants willful and malicious steering of the Grimes' into a loan to with grossly unfavorable terms based on YSP incentives constitutes an unfair, misleading and deceptive trade practice under § 349.
- 158. Defendants willful and malicious steering of the Grimes' into a fraudulent loan with a higher interest rate, despite the fact that they provided documentation of income, constitutes an unfair, misleading and deceptive trade practice under § 349.
- 159. Defendants repeatedly concealed and misrepresented the essential terms and therefore the cost of the loan to Grimes', deceiving them into believing that the interest rate was much lower than it was, that their monthly payments would be fixed for 30 years and that they would be able to refinance the loan without incurring any cost within one year.
- 160. Many of the misrepresentations and omissions of material facts constituted violations of the requirement that timely and adequate disclosures were made pursuant to TILA be "clear and conspicuous," rendering those and any other disclosures inoperative and depriving Grimes' of the crucial information that TILA is meant to secure for borrowers. Accordingly, defendants' willful and malicious misrepresentations and lack of clear and conspicuous disclosure constitute an unfair and deceptive trade practice under § 349.
- 161. Upon information and belief, these unfair business practices directed at plaintiffs were part of, and representative of, a pattern of misleading activities targeted at numerous other home buyers, including, but not limited to, African-American home buyers.

- 162. Plaintiffs suffered serious injury, including but not limited to credit reputation damage, economic detriment, incurring significant attorney fees, continued costs of litigation and other special and consequential damages in an amount not yet determined, as a direct and proximate result of such deceptive acts and unfair practices of the defendants. These damages were entirely foreseeable, predictable, and the intended results of defendants' conduct
- 163. As authorized by § 349(h), plaintiffs seeks an order from this Court enjoining WCS Lending, Fremont General, Fremont Investment and Jonathan Tanenbaum from the unlawful actions and practices under the Deceptive Practices Act described above.
- As a result of their violations of the Deceptive Practices Act, WCS Lending, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum are liable to Grimes' for:
  - a) actual damages;
  - b) statutory damages as provided by § 349(h);
  - c) treble damages as provided by § 349(h);
  - d) costs and disbursements; and
  - e) attorneys' fees to the plaintiffs' counsel.

#### FOURTH CAUSE OF ACTION - FRAUD

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 165. through 164 as though the same were fully set forth herein.

- Defendants fraudulently, intentionally, and knowingly induced the Grimes' to enter into the subject mortgage transactions by concealing, misrepresenting and failing to provide material disclosures and information of the true terms and conditions of the mortgage, including the following:
  - a) misrepresenting, concealing and failing to disclose to the Grimes' that the annual interest rate on the subject mortgage was a fixed rate 7% per annum for thirty (30) years;
  - b) misrepresenting, concealing and failing to disclose to the Grimes' that monthly mortgage payments of \$3,807 for the first mortgage would be affordable to cover the interest and principal on the loan for the duration of the loan of 30 years;
  - c) misrepresenting, concealing and failing to properly inform the Grimes' that they could easily refinance after one year, when in fact doing so would cause them to incur a prepayment penalty;
  - d) misrepresenting, concealing and failing to disclose to the Grimes' that Fremont Investment and Loan approved the mortgage loans at a higher interest rate and that the mortgage would be an Adjustable Rate Mortgage consisting of a lower fixed interest rate for a short-term time period, followed by an increase to a higher, adjustable rate which would than increase thereafter for the remaining years of the loan;
  - e) misrepresenting, concealing and failing to disclose to the Grimes' that the fees payable to WCS Lending from the proceeds of the mortgage were bona fide and reasonable and necessary for the extension of credit;
  - f) misrepresenting, concealing and failing to disclose to the Grimes' that the financing that they arranged typically disguised as 2/28 and 3/27 ARMs or

100% financing or commonly called a "piggyback loan" that provided one loan for 80% and a second for 20% of the purchase price which would result in a high risk loan resulting in foreclosure for borrowers;

- g) misrepresenting, concealing and failing to disclose to the Grimes' that the subject loans would provide them with a benefit; and
- h) misrepresenting, concealing and failing to disclose to the Grimes' that they could afford the subject loan.
- 167. The Grimes' suffered serious injury as the proximate result of their reliance on the Defendants' intentional misrepresentations, concealment and failure to disclose material facts and terms of the loan. Plaintiffs are informed and believes and herein alleges that the Defendants acted with intentional oppression, fraud and/or malice in taking actions complained of herein, and in conscious disregard of Plaintiffs' rights, so as to justify an award of exemplary and punitive damages.
- Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and 168. Jonathan Tanenbaum knowingly and intentionally caused the subject property to be substantially financed and appraised through misrepresentation and/or omission of material facts through a scheme of "bait and switch".
- Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum misrepresented to plaintiffs that the mortgages were affordable when they were not, and/or omitted material facts including that the monthly mortgage payments would be wholly unaffordable based upon plaintiffs current or expected income, that the first mortgage included drastic and unaffordable rate increases and that the second mortgage included an unaffordable balloon payments.
- Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum misrepresented the true terms and conditions of the mortgage loans and omitted from their representations the material facts that the terms of the loans were approved on different terms and interest rates.

- Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum intentionally concealed and omitted material facts to the plaintiffs that the loans were approved and based upon the reliance of phantom rental income to support the unaffordable mortgage payments.
- Defendants' misrepresentations and omissions of material facts were false and misleading at the time they were made.
- Plaintiffs had a reasonable right to rely, and in fact relied, on defendants' representations and omissions of material facts in agreeing to purchase and finance the subject property. Had plaintiffs known the truth about the issues enumerated above, they would have not have purchased and financed the property based upon the terms and conditions of the defendants.
- As a direct and proximate result of defendants' misrepresentations and omissions 174. of materials facts plaintiffs suffered damages.
- Defendants' actions were intentional, wanton, malicious and in violation of the 175. public interest and entitle plaintiffs to punitive damages.
- As a result of the aforesaid fraud, the mortgage loan transactions should be declared void, and the security interest created under the transaction should be terminated. In addition, defendants are liable to the Grimes' for:
  - a) actual damages;
  - b) punitive damages;
  - c) costs and disbursements; and
  - d) attorney's fees to plaintiffs' counsel.

## FIFTH CAUSE OF ACTION CIVIL CONSPIRACY TO COMMIT FRAUD

(Against WCS Lending LLC, Fremont General Corporation, Fremon: Investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- 177. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 176 as though the same were fully set forth herein.
- 178. Defendants knowingly entered into an agreement to fraudulently induce the Grimes' to enter into the subject mortgages.
- 179. Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum knowingly entered into an agreement to fraudulently induce plaintiffs to purchase and finance the subject property on a "bait and switch" scheme by intentionally making material misrepresentations and/or omissions of material facts as described above.
- 180. Defendants intentionally, knowingly and willfully participated in this "bait and switch" scheme by committing overt acts and making misrepresentations and/or failing to provide material information, in furtherance of the agreement, including but not limited to those representations set forth above.
- 181. Defendants, through their unlawful conduct constituting a civil conspiracy to defraud vulnerable, African-American homeowners, defendants acted in a malicious, willful, wanton, and oppressive fashion, in reckless disregard of the plaintiffs' rights.
- 182. Plaintiffs' suffered serious injury as the proximate result of their reliance on Defendants' omissions, misrepresentations, concealment and failure to disclosure of material facts to cause the pending adverse developments in their personal credit records and the severity of their financial hardships and conditions.

- 183. Defendants' actions were intentional, wanton and malicious and in violation of public interest and entitle plaintiffs' to punitive damages.
- 184. As a result of the aforesaid conspiracy to commit fraud, the mortgage transaction should be declared void, and the security interest created under the transaction should be terminated. In addition, defendants are liable to the plaintiffs' for:
  - a) actual damages;
  - b) punitive damages;
  - c) costs and disbursements of suit; and
  - d) attorney's fees to the plaintiffs' counsel.

## SIXTH CAUSE OF ACTION REAL ESTATE SETTLEMENT PROCEDURES ACT

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- 185. Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 through 184 as though the same were fully set forth herein.
- 186. The Fremont Investment and Loan mortgage is a "federally related mortgage loan" as defined in 12 U.S.C. § 2602(1), and therefore is subject to the Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. § 2601 et seq.
- 187. Defendants WCS Lending, Jonathan Tanenbaum, Fremont General and Fremont Investment and Loan violated RESPA with respect to plaintiffs' loan transaction by: (a) giving or accepting kickbacks or other things of value in violation of 12 U.S.C. § 2607(a) and 24 C.F.R. § 3500.14(b); and (b) giving a portion, split, or percentage of charges made or received for the

rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed, in violation of 12 U.S.C. § 2607(b) and 24 C.F.R. § 3500.14(c).

- Among other things, no goods or facilities were furnished, nor were any services 188. performed in exchange for the \$894 "Commitment Fee", \$495 "Application Fee", \$945 "Processing Fee to WCS Lending", \$4,050 "Mortgage Broker Fee", \$60 "Tax Service Fee", \$2,331.16 "Escrow for Taxes and Insurance", \$2,029.20 "Short-Term Interest", \$9.50 "Flood Certification Fee", \$1,450 "Bank Attorney Fee" and the \$6,074.00 "YSF" listed on the October 12, 2005 HUD-l Settlement Statement. Furthermore, even if goods, facilities or services were provided, their value was not reasonably related to the payments. Therefore, WCS Lending, Fremont General and Fremont Investment and Loan are liable to the Grimes' for:
  - a) actual damages, trebled under 12 U.S.C. § 2607(d)(2);
  - b) costs and disbursements; and
  - c) attorneys' fees to the plaintiffs' counsel.

#### SEVENTH CAUSE OF ACTION (NEW YORK STATE GENERAL OBLIGATIONS LAW § 5-501)

(Against WCS Lending LLC, Fremont General Corporation, Fremon: Investment and Loan, America's Serving Company, US Bancorp and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 189. through 188 as though the same were fully set forth herein.
- The subject loan is secured by an interest in real property improved by a oncfamily residence occupied by the owner, and the interest rate charged on that loan exceeds six per centum per annum.

- The prepayment penalty imposed on the subject loan had a term of one year, in 191. violation of § 5-501(3Xb).
- As a result of the aforesaid violation, the mortgage transaction should be declared 192. void, and the security interest created under the transaction should be terminated, pursuant to § 5-511.

#### EIGHTH CAUSE OF ACTION (FAIR HOUSING ACT-42 U.S.C. § 3601 et seq.)

(Against WCS Lending LLC, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 193. through 192, as though the same were fully set forth herein.
- The Fair Housing Act, 42 U.S.C. Section 3601 et seq., was first enacted in 1968 194. to prohibit discrimination in connection with real estate transactions, including home purchases and refinancing. The Act has been broadly constructed by the courts to make its provisions effective to protect consumers.
- The Act prohibits mortgage lenders from imposing different terms or conditions 195. on a loan, such as different interest rates, points or fees, on the basis of race. Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum targeted African-Americans for higher cost subprime mortgage loans, while directing Caucasian applicants, with the same qualifications after accounting for risk, into lower cost loans. Such discriminatory actions include, but are not limited to: targeting plaintiffs for this scheme to defraud on the basis of their race and color in obtaining mortgage home loans.
- These defendants, and their principals and employees, discriminated against 196. plaintiffs on the basis of race and color in a residential real estate transaction in violation of the federal Fair Housing Act, 42 U.S.C. Section 3605. Such discriminatory actions include are but limited to: targeting plaintiffs for this scheme of "bait and switch" on the basis of their race and

color; making loans unaffordable based upon current personal and expected incomes; providing financial assistance for the purchase of real estate with grossly unfavorable terms based upon plaintiffs' race and color.

- In addition or in the alternative, under the guise of these purportedly faciallyneutral subprime loan policies and practices, Defendants, Fremont General, Fremont Investment and Loan and Jonathan Tanenbaum, WCS Lending had a discriminatory effect and created statistical disparities so great between African-American and Caucasian mortgagees as to be functionally equivalent to intentional discrimination. Defendants induce, misled and steered African-American borrowers into high cost home loans without due regard of the borrowers ability to repay the loan.
- A borrower is presumed to be able to make a scheduled payment if (a) the 198. scheduled monthly payment plus payments for all other debts does not in the aggregate exceed 50% of the borrower's documented and verified monthly gross income and (b) the borrower has residual sufficient income to pay essential monthly expenses after paying the schedule monthly mortgage payment and any additional debt. If the schedule monthly payment exceeds either of the threshold mentioned above, the lender must determine and document prior to closing of the loan that the making of the loan is justified based upon compensation factors, such as the borrowers long credit history, the borrower's demonstrated ability to make payment under comparable or greater debt to income ratios, the conservative use of credit standards, the borrower's significant liquid assets or other reasonable factors.
- By the actions described above, Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum have violated 42 U.S.C. Sections 3601, 3604 and 3605. Section 3505 states:

that "[i]t shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or in the terms or conditions of such transaction, because of race ....." The plaintiffs were subjected to these

discriminatory practices as alleged, and given loans on grossly unfavorable terms.

- Upon information and belief, Defendant, Fremont Investment and Loan continue 200. to provide mortgage loans to Caucasian applicants with similar qualifications on significantly more favorable terms, and their policies and practices will continue to have a discriminatory impact in violation of the Act against other African-American in applications for a mortgage, as they have on the plaintiffs in the past. Therefore, as a proximate result of Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum's systematic violation of this statute, plaintiffs are entitled to the requested relief provided under the Act. If not enjoined from such violations by the Court, Defendants will continue to engage in conduct that disregards the rights of the plaintiffs and cause irreparable injury.
- Defendants, Fremont General, Fremont Investment and Loan, WCS Lending and 201. Jonathan Tanenbaum discriminated against plaintiffs, by targeting plaintiffs for a predatory home purchase and mortgage loan transaction that, by reason of its grossly unaffordable loan terms and based on an intentionally concealment and omission of material facts and intentionally submitting false information and forged signatures to the mortgage application, provided plaintiffs with grossly inferior terms, conditions, and/or privileges of services in connection with the financing transaction on the basis of race and color. These actions were taken deliberately and with racial intent and with reckless disregard of plaintiffs' rights.
- As a proximate result of such discriminatory housing practices, plaintiffs have suffered economic loss, mental anguish, deprivation of civil rights, and the prospective loss of their home.
- Defendants' actions were intentional, wanton and malicious and in violation of 203. the public interest and entitle plaintiffs to punitive damages.
- Treating the plaintiffs differently in mortgage lending based on their race and 204. color violates the Fair Housing Act. As a proximate result of Defendants, Fremont Investment and Loan, WCS Lending and Jonathan Tanenbaum systematic violation of this Act, plaintiffs are

entitled to the requested relief requested herein.

#### NINTH CAUSE OF ACTION (EQUAL CREDIT OPPORTUNITY ACT-15 U.S.C. §§ 1691 et seq.)

(Against WCS Lending LLC, Fremont General Corporation, Fremont investment and Loan, America's Serving Company, US Bancorp, and U.S. Bank National Association, as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 205. through 204 as though the same were fully set forth herein.
- The Equal Credit Opportunity Act was enacted in 1974 as a consumer protection statute prohibiting discrimination in the issuing of credit. The Act has been broadly construed by the courts in order to make effective its provisions to protect consumers.
- Defendants, Fremont General and Fremont Investment and Loan is a creditor within the meaning of 15 U.S.C. §§ 1691(e). The mortgage loans offered to the Plaintiffs are credit transactions. The Act provides that "[i]t shall be unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction... on the basis of race". 15 U.S.C. Section 1691(a)(1). The Plaintiffs were systematically and continuously extend mortgage credit by Defendants on a discriminatory basis. (Please refer to FDIC's Order to Cease and Desist, dated March 7, 2007, regarding Fremont Investment and Loan unsafe and unsound banking practices and violations of laws and regulations with regard to mortgage lending on the A copy said FDIC Order to Cease and Desist, dated March 7, 2007 is attached hereto as Exhibit 11.
- Defendants, Fremont General, Fremont Investment and Loan, Jonathan 208. Tanenbaum and WCS Lending discriminated against the Plaintiffs on the basis of race and color on the terms and conditions of the loan contract, including charging higher interest rates to African-American than similarly-qualified Caucasians, falsifying information on the mortgage application and forging their signatures to the same application for the sole purpose of making a profit. In addition, said defendants named above will continue to engage in conduct that disregards the rights of African-Americans and causes irreparable injury if not enjoined from such violations by the Court.
  - Treating Plaintiff's differently in mortgage lending based on their race and color

violates this Act. As a proximate result of Defendants, Fremont General and Fremont Investment and Loan's systematic violation of this Act, plaintiffs are entitled to the requested relief requested herein.

#### TENTH CAUSE OF ACTION (CIVIL RIGHTS ACT: FACIAL DISCRIMINATION 42 U.S.C. §§ 1981, 1982, 1985 et seq.)

(Against WCS Lending LLC, Jonathan Tanenbaum, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, U.S. Bancorp and U.S. Bank N.A., as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 210. through 209 as though the same were fully set forth herein.
- The Civil Rights Act of 1866 and 1870, and later expanded upon through 1991, 211. prohibits racial discrimination in the formation and issuance of contracts, and intentional interference to purchase and hold real property ("Civil Rights Act").
- Defendants, Fremont General, Fremont Investment and Loan and WCS Lending intentionally concealed certain material facts that Fremont Investment and Loan had a duty to disclose and by concealing these material facts, Fremont Investment and Loan and WCS Lending intended to deceive the Grimes with misleading terms and conditions. The Grimes relied upon Fremont Investment and WCS Lending not to conceal, and that such reliance was reasonable under the circumstances. Said concealment was a substantial factor in causing damages to the Grimes. Defendants, Fremont Investment and Loan, Jonathan Tanenbaum and WCS Lending intentionally misled and induced the Grimes into entering into a grossly unfair and abusive high cost loan disguised as an 2/28 ARM loan transaction for the sole purpose of defrauding and steering the plaintiffs into an unsuitable abusive mortgage loan product that carried excessive risk layers without regard to the borrower's ability to repay.
- Defendants intentionally discriminated against Plaintiffs by steering, concealing and structuring short-term high cost loans that they could disguise as ARM loans, thereby charging them higher interest rates than those charges to similarly-situated Caucasian mortgagees. These de facto short-term high cost loans disguised as ARM loans were structured

- Defendants, by intentionally concealing and misrepresenting the true terms and conditions of the loan, and by charging higher rates to the Plaintiffs, Defendants unlawfully discriminated against Plaintiffs in (i) formation of contracts, (ii) making, performance, modification, and termination of contracts, and/or (ii) the enjoyment of all benefits, privilege, terms and conditions of the contractual relationship, and in their right to purchase, finance, inherit, lease, sell, hold and convey real property, as enjoyed by white citizens of the United States, in violation of 42 U.S.C. § 1982a. Defendants, America' Servicing Company and U.S. Bancorp and U.S. Bank National Association, as Trustees for the Master Asset Backed Securities Trust 2006-FRE-1 intentionally failed to acknowledge, investigate or resolve disputes brought to their attention in a timely manner by African-American consumers, in violation of 42 U.S.C. § 1982.
- Defendants' actions violated 42 U.S.C. § 1981 and 1982. Defendants' action 215. were intentional, wanton, malicious and in violation of public interest and entitle plaintiff to punitive damages under the Civil Rights Act. Finally, such pattern of actions constitute a conspiracy for the purpose of depriving plaintiffs of the equal protection of the laws, or of equal privileges and immunities of the laws of the United States in violation of 42 U.S.C. § 1985(3). As a proximate result of Defendants' racially discriminatory actions and systematic violation of this statue, plaintiffs have suffered economic loss, mental anguish, deprivation of civil rights, and the prospective loss of their home, they are entitled to the request relief provide under the Civil Rights Act.

#### **ELEVENTH CAUSE OF ACTION** (NEW YORK STATE HUMAN RIGHTS LAW, EXECUTIVE LAW § 296(5)

(Against WCS Lending LLC, Jonathan Tanenbaum, Fremont General Corporation, Fremont Investment and Loan, America's Serving Company, U.S. Bancorp and U.S. Bank N.A., as Trustees For the Master Asset Backed Securities Trust 2006-FRE-1)

- Plaintiffs repeat, reiterate and reallege each and every paragraph numbered 1 216. through 215 as though the same were fully set forth herein.
- Defendants, Fremont General, Fremont Investment and Loan, WCS Lending, 217. Jonathan Tanenbaum and their employees and principals, through their actions described above, have engaged in a pattern of unlawful discriminatory practices in violation of the New York State Human Rights Law, Executive Law § 296. Such actions include targeting victims on the basis of race and color, steering and inducing people of color and non-white persons into unaffordable mortgage products and denying affordable mortgage financing on the basis of race and color; discriminating in the terms and conditions of mortgage financing, and in the furnishing of facilities and services in connection with financing transactions. Such actions were taken deliberately and with racially discriminatory intent, with reckless disregard for plaintiffs' right
- In addition, said defendants engaged in a pattern of practices related to financing 218. transactions that resulted in a disparate impact of non-white prospective homebuyers and borrowers in, and residents and would be residents in, communities of color through New York City and State of New York.
- As a proximate result of these racially discriminatory actions, plaintiffs have 219. suffered economic loss, mental anguish, deprivation of civil rights, and the prospective loss of their home.
- Defendants actions were intentional, wanton, malicious and in violation of the 220. public interest and entitle plaintiff to punitive damages.

#### PRAYER FOR RELIEF

WHEREFORE, in light of the foregoing, plaintiffs respectfully request that this Court:

- a) Enjoin enforcement of the mortgage and note and declare the mortgage and note unenforceable;
- b) Award actual damages pursuant to all causes of action in an amount to be determined at trial;
- c) Award statutory damages pursuant to all causes of action;
- d) Award punitive damages in an amount to be determined at trial;
- e) Award liquidated damages pursuant to all causes of action;
- f) Award plaintiffs' attorney fees, pursuant to all causes of action;
- g) Award plaintiffs' reasonable costs and expenses pursuant to all causes of action;
- h) Enjoin defendants from engaging in deceptive acts and practices that affect consumers in New York State under New York State General Business Law § 349(h);
- i) Rescind the underlying mortgage loan transaction and terminate any security interest in plaintiffs property created under the transaction;
- j) Prohibit the defendants from taking any action toward foreclosures unless they have reviewed and investigated consumer complaints and confirmed that the consumer has not been the subject of any illegal practices;
- k) Investigate and resolve any consumer disputes arising out of real estate transactions;
- 1) Declare the subject note and mortgage unenforceable, and enjoin and terminate the security interest pursuant to the first, third, fourth, fifth, seven,

eighth, ninth, tenth, eleventh and § 5-511; and

m) Award such other and further general relief as this Cour: deems just and proper.

Dated: January 29, 2008

Newburgh, New York

Darrick Grimes

23 Stacy Lee Dive Newburgh, New York 12550 Telephone: 845-562-0450

23 Stacy Lee Dive

Newburgh, New York 12550 Telephone: 845-562-0450

## EXHIBIT ADDENDUM TO COMPLAINT

<u>Exhibit</u>	Contents of Exhibit
1.	Pre-Qualification Letter, dated September 12, 2005 from
	WCS Lending LLC
2.	Forged Mortgage Application and Pre-Disclosure documents,
	dated and signed on September 13, 2005 and submitted on
	behalf of the Grimes by WCS Lending LLC and Jonathan
	Tanenbaum
3.	Actual Mortgage Application and Pre-Disclosure documents.
	dated and signed on September 20, 2005 by the Grimes and
	submitted to WC\$ Lending and Jonathan Tanenbaum same
	day.
4.	Fraudulently signed Good Paith Estimate and Truth in
	Lending Statement (forged signatures of the Grimes, dated
	September 13, 2005 and the Actual Good Faith Estimate and
	Truth in Lending Statement (signed by the Grimes on
	September 20, 2005 and October 12, 2005 (Fremont Closing
	Document)
5.	Fremont Investment and Loan - Conditional Counter-Offer
	Approval Notices showing the terms and loan amounts of first
	and second mortgages
6.	Fremont Mortgage Commitment Letter, dated September 16,
	2005
7.	Fremont Loan Tracking Documents - Underwriter's Summary
8.	Recession letters mailed to America's Servicing Company
9.	Notices of Assignment, Sale or Transfer of Servicing Rights
	to the Grimes re assignment of the first mortgage to America's
	Servicing Company, dated February 9, 2006 and second
	mortgage assigned to Ocwen Loan Servicing, LLC
10.	Copies of the Complaint Letters to various state and federal
	regulatory agencies regarding fraud and predatory lending
	practices

- 11. FDIC Order of Cease and Desist, dated March 7, 2007
- 12. Fraudulently signed Residential Contract of Sale and
  Amendment to the Contract of Sale, dated September 14,
  2005 submitted by WCS Lending LLC and Jonathan
  Tanenbaum with forged signatures of the Grimes (Purchasers)
  as well as the Sellers, the Cohen and a copy of Original
  "Draft of Contract of Sale"
- Copies of the Closing Documents signed by the Grimes on October 15, 2005 as provided by Fremont Investment and

  Loan
- Documented income statements (Paycheck stubs and W-2s) of the Grimes submitted to WCS Lending as of September 2005
- 15. Fremont Investment & Loan Loan Submission Form from WCS Lending
- 16. Fremont Investment & Loan Final Underwriter Summary-Underwriter's Recommendation -Note Rental Income

# Exhibit B - Part 1

#### GOOD FAITH EST IMATE

## Filed 06/16/2008 rimes Paga 726 of 31 Date Prepared: 09/13/2005 Loan Program: 2/28 ARM Applicants: Document 21-3

WCS Financial Services Ph. 866-927-5363

6501 Congress Avenue, 3rd Floor, Boca Raton, FL 33487

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

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810	Processing Fee					60.00	****
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812	Wire Transfer Fee					405.00	
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INUIT-IN-LENDING DISCLOSURE STATEMENT Case 1:08-cv-010244-9 OHVHER DOOTUMEN to 24 e 3/24 mit Med CO 6/13/6/2008 Darrick Grimes Prepared By: WCS Financial Services Yolanda Grimes 6501 Congress Avenue, 3rd Floor 23 Stacy Lee Drive Property Address: Boca Raton, FL 33487 Newburgh, NY 1250 866-927-5363 GrimesYolandaNT80659 Application No: Date Prepared: 09/13/2005 ANNUAL PERCENTAGE FINANCE AMOUNT TOTAL OF RATE CHARGE FINANCED PAYMENTS The cost of your credit as a yearly The dollar amount the credit will The amount of credit provided to The amount you will have paid cost you you or on your behalf after making all payments as scheduled 5,167 % 380,598,21 \$ \* 405,000.00 \* 785,698.21 REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit PAYMENTS: Your payment schedule will be: When Paymentees Arc Due Monthly Beginning: Monthly Beginning: 2,694,48 12 2,194.78 323 2.144.11 2.145.80 DEMAND FEATURE: This obligation has a demand feature. VARIABLE RATE FEATURE: This loan contains a variable rate feature. A variable rate disclosure has been provided earlier. CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost. Signature Credit Life I want credit life insurance. Signature: Credit Disability I want credit disability insurance. Signature: Credit Life and D isability I want credit life and disability insurance, Signature: INSURANCE: The following insurance is required to obtain credit: Credit life insurance Credit disability Property insurance Flood insurance You may obtain the insurance from anyone you want that is acceptable to creditor ☐ If you purchase ☐ property flood insurance from creditor you will pay \$ for a one year term, SECURITY: You are giving a security interest in: 23 Stacy Lee Drive, Newburgh NY 1250 The goods or property being purchased Real property you already own. FILING FEES: \$ LATE CHARGE: If a payment is more than 15 days late, you will be charged 5.000 % of the payment PREPAYMENT: If you pay off early, you \_\_\_ may will not have to pay a penalty. may will not be entitled to a refund of part of the finance charge. ASSUMPTION: Someone buying your property ☐ mav may, subject to conditions may not assume the remainder of your loan on the original ter

See your contract documents for any and prepayment refunds and popular	y additional information a	bout nonpays	ment, default, any required re	payment in full before	ore the scheduled	l date
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✓ * means an estimate	all dates and numeric	al disclosure	s except the late payment dis	clasures are estimate	••	
NOTE: The Payments shown above inc	lude reserve d eposits for Mor	tgage Insuranc	e (if applicable), but exclude Prope	city T axes and Insuran	>c.	
THE OWNER TOWNER TO WELL	DGES RECEIVING A	COMPLETE	D COPY OF THIS DISCLO	SURE 1		, .
& JUNNARY?	NRC 9/2	0/05	Melin	da Du	rus 9/2	20/05
Darrick'Grimes	(Applicaní)	(Date)	Yolanda Grimes		(Applicant)	(Date)
			V			
	(Applicant) .	(Date)			(Applicant)	(Date)

(Date)

(Lender)

Uniform Residentiablean Application08 Page 4 of 31 pleted by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or 🔲 the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a comm unity property state as a basis for repayment of the loan. SALESTYPE OF MORT GAGE AND TERMS OF POANS AND THE SALEST AND THE S Mortgage VA Applied for: FHA Conventional USDA/Rural Other (explain): Housing Service Amount interest Rate No. of Months Amortization Fixed Rate Other (explain): 405,000 7.000 360/360 ARM (type): 2/28 A COURT PROPERTY INFORMATION AND PURPOSE oficoani engantes e sect Subject Property Address (street, city, state, ZIP) 23 Stacy Lee Drive, Newburgh, NY 1250 County: Orange No. of Units Legal Description of Subject Property (attach description if necessary) See title 1987 Purpose of Loan Purchase Construction
Refinance Construction-Permanent Other (explain): Property will be: Primary Residence Secondary Residence Investment Complete this line if construction or construction-permanent loan. Original Cost Year Lot Acquired Amount Existing Liens (a) Present Value of Lot (b) Cost of Improvements Total (a+b) Complete this line if this is a refinance loan. Year Original Cost Amount Existing Liens Purpose of Refinance Acquired Title will be held in what Name(s) Darrick Grimes Manner in which Title will be held Estate will be held in: Yolanda Grimes Joint tenants. Fee Simple Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain) Leasehold Deposit on Sales Contract (show expiration date) Entropy (1975) A SECTION OF THE SECT o-Borrower's Name (include Jr. or Sr. if applicable) Darrick Grimes Yolanda Grimes Social Security Number forne Phone (incl. area code) | DOB (MM/DD/YYY) | Yrs. Scho Social Security Number Home Phone (Incl. area code) | DOB (MM/DD/YYYY) | Yrs. School 133-84-3057 718-464-3331 01/09/1962 111-56-6446 10/29/1968 Married
Separated Unmarried (include single, divorced, widowed) 14 Dependents (n ot listed by Co-Borrower) Unmarried (include single, Dependents (not lis ted by Borrower) no. 2 ages 2,14 Separated divorced, widowed) no. 2 ages 2,14 Present Address (street, city, state, ZIP) ☑Own □ Rent No. Yrs Present Address (street, city, state, ZIP) Own Rent 7 No. Yrs. 188-19 104th Avenue 188-19 104th Avenue St. Albans, NY 11412 St. Albans, NY 11412 Mailing Address, if different from Present Address Mailing Address, if different from Present Address If residing at present address for less than two years, complete the following: Former Address (street, city, state, ZIP) ☐Own ☐ Rent No. Yrs. Former Address (street, city, state, ZIP) □Own □ Rent \_\_ Set at - 200 See See Serro IV: EMPLOYMENT INFORMATION : Name & Address of Employer Self Employed Name & Address of Employer rs, on this job Self Employed Yrs. on this job 3 yr(s) 0 mth(s) 0 yr(s) 10 mth(s) EDO Corporation Debevoise And Plimpton Yrs, employed in this line of work/profession 60 East 42nd Street 919 Third Ave New york, NY 10166 0.8 New York, NY 10022 3 Position/Title/Type of Business Business Phone (incl. area code) Position/Title/Type of Business Business Phone (incl. area code) Legal Assistant 212-716-2069 Legal Assistant 212-909-6401 If employed in current position for less than two years or if currently employed in more than one position, complete the following: Name & Address of Employer Self Employed Dates (from-to) Name & Address of Employer Seif Employed Dates (from-lo) 3/99 -CitiGroup 10/04 388 Grenwich Street Monthly Income New York, NY 10001 Monthly income 6,000.00 Position/Title/Type of Business Business Phone (ind. area code) Position/Title/Type of Business

Freddie Mac Form 65 01/04 Calyx Form 1003 Loanapp 1.frm 01 /04

Position/Title/Type of Business

Legal Assistant

Name & Address of Employer

Monthly Income

Business Phone (incl. area code)

Business Phone (incl. area code)

Self Employed Dates (from-to)

Name & Address of Employer

Position/Title/Type of Business

212-382-7000

Self Employed Dates (from-to)

Monthly Income

Business Phone (incl. area code)

 -	

Gross Monthly income		Borrower		Co-Borrower		Total	Combined Monthly Housing Expense	Present	1	Proposed
Base Empl. Income*	\$	6,493.00	\$	3,061.00	\$	9,554,00	Rent	s	250	
Overtime					1		First Mortgage (P&I)	<u> </u>	5	2,694,48
Bonuses	<u> </u>		1				Other Financing (P&I)		+	270.00
Commissions			T		$\neg$	· · · · · · · · · · · · · · · · · · ·	Hazard Insurance		-	
Dividends/Interest			┪				Real Estate Taxes		-	75.00
Net Rental Income	<b>†</b>	1.076.00	1-	***************************************		4.070.00				585.00
Other (before completing,	<del> </del>	1701 0100				1,076.00	Mortgage Insurance		İ	
see the notice in "describe	<u> </u>	***************************************					Homeowner Assn. Dues			
other income," below)	<u> </u>		1				Other:		<del> </del>	
Total	\$	7,569.00	\$	3.061.00	s	10,630.00	Total	-	<del> </del>	3,624.48

Dividends/Interest			1		R	eal Estate Taxes			585.00
	,076.00			1,076.00		ortgage Insurance		+	303,00
Other (before completing,						meowner Assn. Du	60	- -	
see the notice in "describe" other income," below)						her:			
Total \$ 7	,569,00	\$ 3.06	1.00 s	10,630.00		otal	<del></del>		
Self Employed Borrower(s) may b				10,050.00	9 110	rai	\$	\$	3,624.48
Describe Other Income Not	ce: Alimon	v. child sunna	or conse	oto mainen			al statements. aled if the r repaying this loan,	\$	Monthly Amount
English and the second second	Alban Rudo and Sala			***					
This Statement and any applicable su joined so that the Statement can be m section was completed about a spour	pporting schi eaningfully a se, this State	edules may be	completed in nted on a cor porting sche	ointly by both me mbined basis; oti dules must be o	arried ar herwise complet	ed about that spou	rrowers if their assets a nts and Schedules are r se also. Completed	equired Joir	I. If the Co-Borrowei
Description		Value	WC013, 1110	SHORED STRONG	ie igans.	revolunc chame a	me, address and account ecounts, real estate loa	oo alla	
Cash deposit toward purchase held by	C \$		arock hier	uyes, eic, use co	រពយោបឧប	On sneel if necesso	ry, indicate by (*) those ancing of the subject pro	labilis	es which will be
List checking and savings account	's helow:		<u> </u>		BILME	s	Monthly Payment Months Left to Pay		Unpaid Balance
Name and address of Bank, S&L, or (				d address of Co	mpany		\$ Payment/Months	\$	
Commerce Bank	want Grilloff		CHESA	OX 1547 APEAKE, VA 2	3320				
			Acct, no.	64721500318	8863		(2,046)	1	292,142
Acct no.	\$	10,000	Name and	d address of Cor	mpany		\$ Payment/Months	\$	
Name and address of Bank, S&L, or C Commerce Bank,	redit Union	٠	1002 A	E MAE 3RD PT RTHUR DR HAVEN, FL 32	_	.*			
A				11156644610			249	-	37,420
Acct. no. Name and address of Bank, S&L, or C ING DIRECT	redit Union	2,000	SM SEI	d address of Cor RVICING X 9500 S BARRE, PA			\$ Payment/Months	\$	
*				11156544610					
Acat, no.	S	1,500		address of Con			249	<del></del> _	37,420
Name and address of Bank, S&L, or C 401k	redit Union		HFC - U P.O. BC		, .		\$ Payment/Months	<i>ħ</i>	
			Acct. no.	64721516125	790		503		35,209
Acct, no.	\$	11,000	Name and	address of Con	npany		\$ Payment/Months	\$	+ - ,
tocks & Bonds (Company name/ number & description)	\$		1 BLUE	LER FINANCI, HILL PLZ STE RIVER, NY 10	€ 15				
,				7000579255 address of Com			397		9,379
ace amount \$	\$		CAPITA PO BOX	L1BK			\$ Payment/Months	\$	
ubtotal Liquid Assets	\$	26,500	1		•				
eal estate owned (enter market value om schedule of real estate owned)	\$	440,000		517805245356 address of Com		-	218 \$ Payment/Months	s	7,281
ested interest in retirement fund	\$		HSBC/L	EVTZ.					
at worth of business(es) owned	\$			STIANA RD					
ttach financial statement)			NEW CA	STLE, DE 197	20				
utomobiles owned (make and year)	\$			72062410245 nild Support/Sep Owed to:	arate iv	aintenance	(94) \$		1,882
ther Assets (itemize)	\$		1						
, , , , , , , ,			Job Related	#Expense (child	care, u	inion dues, etc.)	\$		arta e
		•	Total Mont	hly Payments			\$ 1,910		
Total Assets a.	\$ .	466,500	Net Worth (a minus b		\$	37,532	Total Liabilities b.	\$	428,968

	Countinuation Sheet/Residential Foan Application	
need more space to complete the Residential Loan Application.	Borrower.  Darrick Grimes	Agency Case Number:
Mark B for Borrower or C for Co-Borrower.	Co-Borrower, Yolanda Grimes	Lender Case Number,

	Cash or Market	PRVID PASSETS PLAND PERBUTTES \$250		
ASSETS	Value	LIABILITIES	Monthly Payment &	Unpaid
Name and address of Bank, S&L	or Credit Union	Name and address of Company	Months Left to Pay	Balance
401k		HSBC/LEVITZ	\$ PayL/Mos.	\$
		90 CHRISTINANA ROAD		
			1.	
		NEW CASTLE, DE 19720		
Acct, no.				
Name and address of Bank, S&L,	\$ 2,0		94	1,88
and the transfer of basis, but,	or Green Chion.	Name and address of Company		\$
		PROVIDIAN FINANCIAL		
		4940 JOHNSON DR		
		PLEASANTON, CA 94566		
		· ·		
Acct, no.	\$	Acct. No. 0300645735		
varne and address of Bank, S&L,	or Credit Union	Name and address of Company	\$ Payt/Mos. \$	1,68
		PROVIDIAN FINANCIAL	7	•
		4940 JOHNSON DR		
		PLEASANTON, CA 94566		
kcd, no.	\$	Acct No. 0800611925	<del></del>	
lame and address of Bank, S&L, o	or Credit Union	Name and address of Company	32 S Court Man. 32	1,039
		HSBC NV	\$ Payt/Mos. \$	_
		POB 98706		
		LAS VEGAS, NV 89193		
cct. no.	\$			
lame and address of Bank, S&L, o	r Credit Union	Acct. No. 544045005310	25	893
•		Name and address of Company	\$ Payt/Mos. \$	
		DRS SHERMAN STR	-	
		322 WALL STREET		
		PRINCETON, NJ 08540		
cal so				
cct. no	Cenella 11-1-	Acct. No. 684026		725
and and an area of busing duck, of	Credit Othori	Name and address of Company	\$ PayL/Mos. \$	
		HSBC NV		
		1441 SCHILLING PLACE		
·		SALINAS, CA 93901		
cat. no.  s		Acct. No. 275000393589	18	200
ame and address of Bank, S&L, or	Credit Union	Name and address of Company	\$ Payt/Mos. \$	662
		HSBC NV		
		1441 SCHILLING PLACE		
		SALINAS, CA 93901		
			1	
ct. no ' \$		Acct, No. 912055364537		
me and address of Bank, S&L, or	Credit Union	Name and address of Company	\$ Payt/Mos. \$	507
		CAPITAL 1 BK	4 1 dy E/14:03,	
		PO BOX 85015		
		RICHMOND, VA 23285		
ct no.	. 1	Aged No. Personnesson		
me and address of Bank, S&L, or	Credit Union	Name and address of Company	15	348
			\$ Payt/Mos, \$	-
		CAPITAL 1 BK		
		PO BOX 85015		
		RICHMOND, VA 23285		
<b>.</b>				
t no. S	n - 112 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Acct. No. 517805256683	15	255
me and address of Bank, S&L, or	urealt Union	Name and address of Company	\$ Payt/Mos. \$	235
	<b>.</b>	ACTION CARD/BANK FIR		
		. POB 2394		
		OMAHA, NE 68103-		
L no.'	-			
. no.   \$	· · · · · · · · · · · · · · · · ·	Acct. No. 5256181011029103	15	157

Schrado Residentownia (10/6/1/2)	JE J	es are	ASSETS (AN	D WABILITIES!	Piled t	6/16/20	08-	Pa	10 / U
Property Address (enter S if sold, PS if pending		Type of	Present	·····Amount of	Gross	Mortgage	Insura Mainter	iance,	Net
or R if rental being held for income) 188-19 104th Ave		Property	Market Value RENTAL	Mortgages & Liens	Rental Income	Payments	Taxes 8	Misc. F	Rental Income
St Albens NY,11412	R	MULTI		\$ 312,000	\$ 4,400	\$ 2,024	\$	200 \$	1,076
									***
		Takata							
List any additional names under which cred	it has	Totals   S		\$ 312,000 and indicate appr	\$ 4,400 opriate creditor	\$ 2,024 rname(s) and a	\$ ccount n	200  \$ umber(s)	1,076
Alternate Name			Creditor Name		,		ccount N		
			·						
			March International Control						
**************************************	eri allari, i-charle-i	A A ROBERT OF THE PARTY OF	l if you answer	"yes" to any quest		EARATIONS	inclusion		e de la composição de la
b. Alterations, improvements, repairs		400,000,00	sheet for expl	anation.	iona a anoagii i,	bleaze ase com	uttuation	Porrowe Yes No	<del>-                                    </del>
c. Land (if acquired separately)			a, Are there an	y outstanding judgm	ents against you	?		Yes No	i .
d. Refinance (incl. debts to be paid off)		***************************************	<del></del> j	en declared bankrup					1 — —
e. Estimated prepaid items		3,626.25	c. Have you ha	d property foreclose	d upon or given ti	tle or deed in Heu	thereof		
f. Estimated closing costs		9,218.50	in the last 7	years?					
g. PMI, MIP, Funding Fee				irty to a lawsuit?					1
n. Discount (if Borrower will pay)  Total costs (add items a through h)		462,844.75	vi .	ectly or indirectly be transfer of title in lie			ulted in		
Subordinate financing		-94,044.75	This would lno	dude such loans as hom	ie mortgage loans, S	BA loans, home impr	annial		
c. Borrower's closing costs paid by Seller	·		obligation, bon	mai iouns, manuractured d, or ioan guaranteo, if ider, FHA or VA case nu	"Yes," provide detail mber, if any and re-	a, any mongage, life s, including date, nam sons for the perion \	me and		
Other Credits(explain)		711244		ently delinquent or i					
Cash Deposit		10,000.00	loan, mortga	ge, financial obligati lotalis as described in	on, bond, or loan	guarantee?			
ти весельна				pated to pay alimony			nance?		
4			1	f the down payment					. — —
			i. Are you a co	-maker or endorser	on a note?				
			i. Are you a U.	S citizen?		************		יייו ועו	m m
n Loan amount		405,000.00	il.	o, cuzen? ermanent resident ali	en?				
(exclude PMI, MIP, Funding Fee financed)			l. Do you inte	nd to occupy the p		primary residenc	ce?		
i. PMI, MIP, Funding Fee financed			d-	lete question m below.		tage of the	_	i	
b, Loan amount (add m &-n)		405,000.00	1	d an ownership inter e of property did you			ears?		
			1	ome (SH), or investri				pr/ip	pr/ip
cash from/to Borrower (subtract j, k, l-& o from i)		47,844.75		you hold title to the h				_	
	all and the	IVES ACIES	<del></del>	ì your spouse (SP), NT∰AND®A'GRI		uner person (O)?	i de la	SP TO SERVES X	SP
and agrees and acknowledges that: (1) the informa goligent misrepresentation of this information contitiance upon any misrepresentation that I have mat Trifle 18, United States Code, Sec. 1001, et seq. escribed herein; (3) the property will not be used issidential morting age lean; (5) the property will be polication from any source named in this application not approved; (7) the Lender and its agents, broke polication to the control of this application or warranty, expects or implied, to miscret of this application containing a facsimil or brightness with the control of this application containing a facsimil or brightness with the signature.	ained in de on it (2) the for any coccupant, and ars, institution properties of any e regar those the of m	n. this application in this application in the properties of the p	ation may result is an any result is steep united to the steep of the	in civil isability, including and penalties, including and penalties including this application (the or use; (4) all statem any owner or service signs may retain the diassigns may retain the diassigns may control of the consumer credit reports of the Loopsumer credit reports of the Loo	ng monetary dam g, but not limit ed "Loan") will be se- cents made in this er of the Loan ma original and/or an nousuly rely on the s that I have repro- ting agencies: (9 nts, brokers, insu oroperty, and (11) tate laws (exclusivations as in a pape valid as if a pape	ages, to any persitor, to, fine or impriso cured by a mortga app lication are in y verify or reverification or record or information control or any other right of the rers, servicers, surplements of the rers of	on who manment or age or dee anade for this appropriation of this appropriation of the appropriation of the appropriation of the appropriation of the appropriation of this appropriation of this appropriation of this appropriation of the app	ay suffer a both under of trust of trus	iny loss due to the provisions on the property of obtaining a standard in the wen if the Loar ion, and I am o closing of the at it may have sistration of the has made any an "electronic and I am of the control of the
		(LIONSEQ	The state of the s	IENTEMONITOI	RING PURRO	SES <b>A/A-SA</b>			sterior de la companya de la company
ne following information is requested by the Fed poportunity, fair housing and home mortgage disclision in internetible on the basis of this information any check more than one designation. If you do not be servetion or sumame, If you do not wish to furnist if requirements to which the lender is subject ur IORROWER It do not wish to furnish this	osure I n, nor c ot fumi in the id nder ap	aws. You al in whethery sh ethnicity, nformati on, oplicable sta	re not required to ou choose to furn race; or sex, und please check the	fumishthis inform a sish it lif you furnish: fer Federal regulatio box below, (Lende	ion, but are enco the information, p ns, this lender is a rmust review the a pplied for.)	uraged to do so, " please provide bo required to note the above material to	The law po th ethnicit ne informa assure th	rovides tha y and race ifign on the	et a Lenderma e. Forrace, yo e basis ofvisus
thnicity: Hispanic or Latino	7] Not	Hispanic or	Latino	Ethnicity:	Hispanic or		Not Hispa	anic or Lati	no
ace: American Indian or	Asi	_	Black or	Race:	American Ir		] Asian	<b>☑</b> Bla	
Alaska Native  Native Hawaiian or	] Wh		African American		Alaska Nati		] White	An	rican American
Other Pacific Islander					Other Pacif				
ex: Fernale			· · · · · · · · · · · · · · · · · · ·	Sex:	▼ Female		] Male		
o be Completed by Interviewer Interviewer's N	iame (	פתעל בה לנחם	:)		Diama and Ada	tress of Interview	mrs ≅mn	lover	
his application was taken by: JTanenbau		pinne di cjipo	<b>'</b> .		1	ncial Services	roi o Linp	10301	

Care talkered	Continuation Sleet/Residi	ential Loan Application
Use this continuation sheet if you need more space to complete the Residential Loan Application,	Borrower; Darrick Grimes	Agency Case Number:
Mark B for Borrower or C for Co-Borrower.	Co-Borrower; Yolanda Grimes	Lender Case Number:

		Jan VI & Assets & And Activabilities 2019		
ASSETS	Cash or Market Value	LIABILITIES	Monthly Payment & Months Left to Pay	
lame and address of Bank, S&l	, or Credit Union	Name and address of Company	\$ Payt/Mos.	Balance
		AMEX	,	1
		P O BOX 297871		
		FORT LAUDERDAL, FL 33329		
cct, no.	<u> \$</u>	Acct. No. 144999036017301261		4
ame and address of Bank, S&L	., of Credit Union	Name and address of Company	\$ Payt,/Mos.	\$
		AMEX		
		PO BOX 297871		
		FORT LAUDERDALE, FL 33329		
ect, no.	\$			
ame and address of Bank, S&L		Acct. No144999036017301261  Name and address of Company	10	40
•		of Company	\$ Payt/Mos.	\$
		THE PARTY OF THE P		-
cct. no.	S .	Acct. No.	-	-
ame and address of Bank, S&L,	or Credit Union	Name and address of Company	\$ Payt/Mos.	\$
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		***		
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oct. no.	\$	Acct. No.	7	
ame and address of Bank, S&L,	or Credit Union	Name and address of Company	\$ Payt/Mos.	\$
•				
ect. no.	s			
ame and address of Bank, S&L,		Acct. No. Name and address of Company	1.0	
		and and addition of Company	\$,Payt./Mos;	\$
ct. no.	\$	Acct. No.	-	
me and address of Bank, S&L,	or Credit Union	Name and address of Company	\$ Payt/Mos.	5
4				
	1.			
ct. no. rne and address of Bank, S&L.,	or Credit Union	Acct. No.		
The second second	o, orear orien	Name and address of Company	\$ Payt/Mos.	\$
≭. no.	s	Acct. No.	_	
me and address of Bank, S&L,	or Credit Union	Name and address of Company	\$ Payt/Mos.	\$
	*			•
	,			
t no:	\$	Acct, No.	T	
ne and address of Bank, S&L,	or Credit Union	Name and address of Company	\$ Payt/Mos.	\$
L no.	\$	Acct. No.	_	

Darrick Grimes  Escidential Loan Application, Mark B for Borrower or C for Co-Borrower:  Co-Borrower.  Yolanda Grimes  Lender Case Number:	Jse this continuation sheet if you	Воложег,	Agency Case Number:
Co-Borrower. Lender Case Number:	reed more space to complete the Residential Loan Application.		
		Со-Волюwer.	Lender Case Number
		Yolanda Grimes	
ormer Address (street, city, state, ZIP) Own Rent No Ver Former Address (street, city, state, ZIP)	POTTOWN	THE RESIDENCE OF THE PROPERTY	
	Borrowe ormer Address (street, city, state,	ZIP) Own Rent No. Yrs. Former Address (s	

We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18. United States Code, Section 1001, et sec.

Borrower's Signature:

Date

Date

Date

Freddie Mac Form 65 01704' Calyx Form 1903 Lnap4add.frm 0 1/04

Use this continuation sheet if you need more space to complete the Residential Loan Application.
Mark B for Borrower or C for Co-Borrower. Agency Case Number Darrick Grimes Со-Вопоwer: Lender Case Number. Yolanda Grimes Borrower: Co-Borrower Co-Borro Name and Address of Employer Dates(from-to) Self Employed Name and Address of Employer Self Employed Monthly Income Monthly Income Position/Title/Type of Business Business Phone (incl. area code) Position/Title/Type of Business Business Phone (incl. area code) Name and Address of Employer Self Employed Dates(from-to) Name and Address of Employer Self Employed Dates(from-to) Monthly Income Monthly Income Position/Title/Type of Business Business Phone (incl. area code) Position/Title/Type of Business Business Phone (incl. area code) Name and Address of Employer Self Employed Dates(from-to) Name and Address of Employer Self Employed Dates(from-to) Monthly Income Monthly Income Position/Title/Type of Business Business Phone (incl. area code) Business Phone (incl. area code) Position/Title/Type of Business Name and Address of Employer Self Employed Dates(from-to) Name and Address of Employer Self Employed Dates(from-to) Monthly Income Monthly Income \$ Position/Title/Type of Business Business Phone (incl. area code) Position/Title/Type of Business Business Phone (incl. area code) Name and Address of Employer Self Employed Dates(from-to) Name and Address of Employer Self Employed Dates(from-to) Monthly Income Monthly Income Position/Title/Type of Business Business Phone (incl., area code) Position/Title/Type of Business Business Phone (Incl., area code) Name and Address of Employer Self Employed Dates(from-to) Name and Address of Employer Dates(from-to) Self Employed Monthly Income Monthly Income Position/Title/Type of Business Business Phone (incl. area code) Position/Title/Type of Business Business Phone (incl. area code)

above facts as applicable under the provisions of Ti	able by fine or imprisonm	ent, or both, to knowledy make	e anv fal	se statements cr	onceming any of the	•
The same as districted and all provisions of the	il e 18, United States C	ode, Section 1001, et sec.			Mooning any of the	
Boffower's Signature:		Co-Bonower's Signature:	-fI		Date	•
× Januch Luse	9/20/05)	Walinda	. B	thien	9-20-05	,
Freddie Mac Form 65 01 /04 Calvx Form 1003 Lnap4erno (m. 0 1/04	Page 4	014		Fannie Maa	Form 1003 01/04	

Calyx Form 1003 Lnap4emp.frm 0.1/04

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Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark B for Borrower or C for Co-Borrower.	Darrick Grimes	Agency Case Number: . Lender Case Number:

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Freddie Mac Form 65: 01/04	Page 4 of 4 / I	<u>~ 0.00</u>
Calyx Form 1003 Lnap4reo.fm 01/04	/ mage 4 or 4 / /	Fannie Mae Form 1003 01/04

## RATE LOCK / FLOAT ADDENDUM

Applicant acknowledges that the interest rate on this loan is floating unless Applicant receives an Interest Rate Lock-In Agreement confirmation from WCS Lending by mail, e-mail or fax. Applicant must sign an Interest Rate Lock-In Agreement in order to have the lock-in guaranteed by WCS Lending. If Applicant has not signed an Interest Rate Lock-In Agreement, the rate is <u>not</u> locked and therefore <u>not</u> guaranteed.

If Applicant has locked in a rate, and WCS Lending has not received an application package back within Seven (7) days, the Interest Rate Lock-In Agreement will be cancelled.

Please check the appropriate selection and sign below:

I have received an Interest Rate Lock-In Agreement from WCS Lending and my rate is in accordance to what was agreed.
 I acknowledge that my interest rate is currently floating and is subject to daily changes based upon market fluctuations.

Applicant

Coldonicant

\_//\_ Date

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## NEW YORK: PRE-APPLICATION DISCLOSURE AND BROKER FEE AGREEMENT

- The Registrant, WCS Financial Services (since Registrant is "acting as a mortgage broker"), may not make mortgage loans or commitments. The Registrant ("WCS") may furnish a lock-in or commitment to Applicant 1. on behalf of Applicant when WCS has obtained a written and executed commitment or lock-in from a lender on behalf of Applicant.
- WCS has advised me/us ("Applicant/s") that WCS is authorized and prepared to assist and advise Applicant/s 2. In securing financing. Applicant/s understands that WCS's services may include, but are not limited to:
  - Counseling on available mortgage products and general qualification procedures;
  - Counseling on Applicant/s financial capabilities;
  - Assistance in completing, processing, and in meeting conditions of the loan.
- Applicant/s hereby engages WCS as Applicant's agent for the purpose of advising Applicant/s about financing 3. and to provide the services described herein. This agreement will continue until the earlier of the declination of Applicant/s loan request, the closing of the loan, or Applicant/s termination of WCS's services.
- Prior to paying any fees or submitting an application, the Applicant/s understands that: WCS's services are advisory and administrative in nature. WCS is acting as a broker and will not make the mortgage loan or commitment. WCS cannot guarantee acceptance into any particular loan program, specific loan terms or conditions. WCS may be eligible to receive a Lender paid bonus based upon the quality of loans placed with the Lender.
- 5. BROKER FEE:

Applicant/s understand that, as compensation for WCS's services, WCS will be paid as indicated below:

- A. The maximum fee the Lender will pay WCS is not known at this time and will be in the range of 0.00% to 4.00% of the loan amount. The exact amount, if any, can be disclosed when the Lender confirms a rate lock request. The compensation WCS will receive from the lender for WCS's services is included in the rate, points, fees and terms of the loan as quoted by the Lender in its commitment; and/or,
- B. The Applicant/s will pay WCS directly a total mortgage broker fee (inclusive of Application Fee and Processing Fee noted in Item 7) of \$4,945.00 .
- WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, will be 6... considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the
- 7. Applicant/s understands that s/he is required to pay the following fees, made payable to (WCS Lending, LLC), at Application or at Closing:

A. Application Fee At Application В. Processing Fee \$650.00 At Clasing C. Mortgage Broker Fee \$4,000.00 At Closing

#### THE APPLICATION FEE IS NON-REFUNDABLE

- WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, or by the lender, 8. will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties.
- Applicant understands that s/he is required to pay a property appraisal fee directly to the appraisal company, 9. either at the time the appraisal is performed, or at the closing of the loan. The estimate for this cost is \$300.00. Applicant/s understands that s/he has the right to a copy of the appraisal report, provided that Applicant has paid the Appraisal Fee in full. Applicant understands that he/she will not be charged for a credit report that WCS will obtain on Applicant/s behalf at a cost of approximately \$18.
- Applicant/s understand that certain mortgage products impose a prepayment penalty on the borrower. WCS 10. will disclose the amount of, or the formula for calculating, the prepayment penalty, if any, as soon as WCS is
- TO EXPEDITE THE APPROVAL OF THE LOAN, APPLICANT/S HEREBY PRE-AUTHORIZATIONS WCS TO INCUR 11. THIRD-PARTY FEES (ie., FLOOD CERTIFICATION OF \$22.00) ON APPLICANT/S BEHALF. APPLICANT/S AGREES TO REIMBURSE WCS FOR THE FEES ADVANCED.
- Applicant/s may call William Schneider, Toll Free, at (866) WCS-LEND to address any complaints regarding 12. the application. Any changes to this Agreement must be in writing and signed by an authorized officer of WCS.

Applications accurated as Leceibilion a obby of this Bro.	ker Fee Agreement.
Applicant March Xm26	Date 9-20-05
Il de la Marila This	
Co-Applicant MUMBLA SWILL	Date 9-20-05
	•
WCS Lending	Date

Do not do anything that negatively impacts your ability to qualify for your mortgage loan, or initiates a new round of paperwork. If you have any doubts about doing something that may affect your ability to qualify for your mortgage loan, please do not hesitate to contact me.

These suggestions are all offered as cautions. Your mortgage application is not a static snap-shot of a client's financial life, but rather an on-going process that takes into account everything done right up until the day of closing.

By signing this Statement of understanding, you acknowledge that the information above has been fully explained to you.

Applicant

Co-Applicant

Date

9-10-0

Date

## **CONTACT INFORMATION FORM**

This form is designed to gives us all the appropriate contact information to allow your processing to move as freely as possible. The information gathered here will also help us provide periodic updates on loan status, market conditions and any special promotions WCS Lending may be running.

Borrower:			
Name: Address:	Darrick & Yolanda Grime 188-19 104th Avenue 3 Albans, New York 11412	Phone (W) Mobile:	718 464-3331 :212 909-6401 911 176-8580   347 224-81
E-mail:	Yparimes@aol.com	Pager: Fax:	
Your Realt	or:	•	
Agency: Name: Address:	Myrand Kasy Lifestyle Lyra Blumenthae 655 Fostertown Road Newhungh, NY 12550	Phone (W): E-mail: Mobile: Pager: Fax:	(845) 565-1900 Tyra Realte Aol. Com (845) 728-9940
Your Attor	ney:		
Firm: Name: Address:	Keith Schutzman  174 MINITE Plains Road Suitezzo Scarsdale, NV 10583	E-mail: Mobile:	(914) 713-0001 
Seller:		Listing Age	nt:
Name: Phone:		Name: Phone:	
Managing A	gent:		
Name: Phone:			

**Damages and Costs** 

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that section.

	ricing Transfer Estimated
1.	The following is the best estimate of what will happen to the servicing of your mortgage loan:
	A. We may assign, sell or transfer the servicing of your loan sometime while the loan is outstanding.  We are able to service your loan, and we  will service your loan.  will not service your loan.  haven't decided whether to service your loan.  B. We do not service mortgage loans, and we have not serviced mortgage loans in the past Three (3) years.
	We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.
2.	For all the first lien mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of such loans for which we will transfer servicing is between:
	□ 0 to 25% □ 26 to 50% □ 51 to 75% 🗵 76 to 100%
	This estimate $\mathbf{X}$ does $\square$ does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.
3.	A. X We have previously assigned, sold or transferred the services of the first lien mortgage loans.  B. X This is our record of transferring the servicing of the first lien mortgage loans we have made in:
	Year Percentage of Loans Transferred 2002 100% 2003 100% 2004 100%
	This information $X$ does $\Box$ does not include assignments, sales or transfers to affiliates or subsidiaries.
I/We redui	have read this disclosure form, understand its contents, and understand that this acknowledgement is a red part of the mortgage loan application as evidenced by my/our signatures below.  9-20-05  Date  9-20-05
C0-A	policant Date

### DISCLOSURE NOTICES

Applicant(s): Yolanda Grime	s Ргореі	ty Address:
-	****	, NY
This is to certify that I/We certify under penalty of U.S. Copurpose of obtaining mortgage	do Li do not intend to	ANCY STATEMENT occupy the subject property as principal residence. I/We hereby 10 Title 18 U.S.C., that the above statement submitted for the tional Housing Act is true and correct. Initials
An investigation will be made and scope of any investigation In the event of denied credit	FAIR CRED as to the credit standing will be furnished to you due to an unfavorable making such report and	IT REPORTING ACT g of all individuals seeking credit in this application. The nature upon written request made within a reasonable period of time. consumer report, you will be advised of the identity of the
binding contract); because all because the applicant has in g you receive as alimony, child choose to rely on such sources temporary employment, will no consider very carefully the state	Act prohibits creditors from sex, marital status, ag if or part of the application ood faith exercised any support or separate materials to qualify for the loan of the discounted by this political and probable continuities law concerning this.	or discriminating against credit applicants on the basis of race, a (provided that the applicant has the capacity to enter into a unt's income derives from any public assistance program; or right under the Consumer Credit Protection Act. Income which aintenance need not be disclosed to this creditor unless you. Income from these and other sources, including part-time or lender because of your sex or marital status. However, we will nuity of any income you disclose to us. The Federal Agency that creditor is the Office of Thrift Supervision, 1700 G. Street NW,
an FHA Loan) has a right of consideration or administration the case of a VA Loan) or to HI	notice to me/us as rec case of a VA Loan) or I f access to financial n of assistance to Financi UD (in the case of an El	NANCIAL PRIVACY ACT juired by The Right to Financial Privacy Act of 1978 that the Department of Housing and Urban Development (in the case of ecords held by financial institutions in connection with the all records involving transactions will be available to the VA (in IA Loan) without further notice or authorization but will not be department without consent, except as required or permitted Initials
Mortgage loan rating, opening deemed necessary in connection	title(s), income, hours was date, high credit, payon with consumer credit	SCLOSURE AUTHORIZATION  LLC for verification purposes, information concerning: orked, etc. Banking (checking & savings) account of record, ment amount, loan balance and payment. Any information report for real estate transaction. This information is for the oan credit report. A copy of this authorization may be deemed a duplicate original.
by the Insurance Commissioner, thoice, provided the company mancial requirements as to the the rules of the Insurance Commission	provide that the lender mpany to protect the m, has the right to have the neets the requirements of company and the adeq missioner relative there such insurance. I have so	
f damage to the property caus uthorized, will be available fo nformation. If you have any que	of inform you that the of Housing Urban Devel sed by flooding in a Fer the property. At closestions concerning this not insurance agent that the	PANCE NOTIFICATION  property used as security for this loan is located in an area opment as having special flood hazards and that in the event derally-declared disaster, Federal disaster relief assistance, if ing you will be asked to acknowledge your receipt of this otice, kindly contact your loan officer.  Le "loss payee" clause for the mortgagee on both the hazard se advised:  Initials
Co W hereby acknowledge receint	ONSUMER HANDBOOK from WCS Lending, L	CON ADJUSTABLE RATE MORTGAGES  LC of a copy of the book titled "CONSUMER HANDBOOK ON all Page 19 Page
We hereby certify that I/We hav	ve read the Notices set i	forth and fully understand all of the above.
pplicant	Date	Co-Applicant Date

# NOTICE TO APPLICANT OF RIGHT TO RECEIVE COPY OF APPRAISAL REPORT

Property Address:

, NY

File #:

NT80659

Date:

September 13,

You have the right to receive a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided that you have paid for the appraisal. We must receive your written request no later than Ninety (90) days after we notify you about the action on your application or you withdraw your application. If you would like a copy of the appraisal report, please contact:

Jonathan Tanenbaum WCS Lending, LLC 6501 Congress Avenue, 3rd Floor Boca Raton, FL 33487

Applicant

Co-Applicant

Date

Date

Prepared By:

WCS Lending, LLC

Date

## GOOD FAITH ESTIMATE PROVIDER RELATIONSHIP

Applicants:

Yolanda Grimes

Property Address:	6501 Congress Avenue, 3rd Boca Raton, FL 33487
, NY Application No: NT80659	Date Prepared: September 13, 2005
Lender requires use of the following provider(s) of s Lender does not require the use of specified provi	Attlement continue (55
Provider_Equiifax	Providor
Address 6 E Clementon Road, Suite A-2	ProviderAddress
Gibbsboro, NJ 08026	
Phone 1-800-333-0037	_ Phone
Services to be rendered by this provider are items number	Services to be rendered by this provider are items number
above and the amounts listed are based upon the charges of this provider. If checked, Lender has the following type of business relationship with this provider:	above and the amounts listed are based upon the charges of this provider. If checked, Lender has the following type of business relationship with this provider:
[ ] The provider is an associate of Lender.	[ ] The provider is an associate of Lender.
[ ] The provider is an affiliate of Lender.	[ ] The provider is an affiliate of Lender.
[ ] The provider is a relative of Lender.	[ ] The provider is a relative of Lender.
<ul> <li>The provider has an employment, franchise or other business relationship with Lender.</li> </ul>	[ ] The provider has an employment, franchise or other business relationship with Lender.
[ ] Within the last 12 months, the provider has maintained an account with Lender or had an outstanding loan or credit arrangement with Lender.	[ ] Within the last 12 months, the provider has maintained an account with Lender or had an outstanding loan or credit arrangement with Lender.
[x] Within the last 12 months, Lender has repeatedly used or required borrowers to use the services of this provider.	[ ] Within the last 12 months, Lender has repeatedly used or required borrowers to use the services of this provider.
Applicant Applic	Applicant Date
Applicant Date	Applicant

Applicant

## OPT-OUT REQUEST FORM

<u>Plea</u>	<u>se Print</u> :	
1)	Borrower and Co Name:	Darrick & Yolanda Grimes
2)	Address:	188-19 104th Avenue
3)	City, State and Zip:	St. Albans, NY 11412
4)	Borrower and Co SS #:	133-84-3057 / 111-56-6446 (Required to Process Your Request)
5)	Loan #:	Λ
6)	Borrower and Co Signature:	Jarrush Ind africa Brines
7)	Please provide a telephone questions:	number that we may use to contact you if we have
	917 716-8580	
8)	Please complete all information	n in this form, and mail it back to the following address:
	Attn: Operations Manager WCS Lending, LLC 6501 Congress Avenue, Boca Raton, FL 33487	3rd Floor
Applic Co-Ap	may be contacted by affiliate loan application.	-public personal information sharing with non-affiliated ose disclosures permitted by law). I understand that I ad third parties, only for services directly related to this $\frac{9-20-05}{\text{Date}}$
-	V	Date

Please allow a reasonable period of time (up to 90 days) for us to process your request.

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(including to qualification	the Sarrow n. but his i	er's spouse) will be	used as	a basis for loan qu	alification or	the income or	assets of the	conte or assets Borrower's spo	of a pen use will n	Borrower" or "Co-Borrower", son other than the "Borrowe ot be used as a basis for loa erty is located in a communi
property su	UI II IC	Borrower is relying o				o property state as	a nasis iot i	ehayment of the	loan.	to record at a communi
Mortgage Applied for	r. Brha	Convention USDA/Ruf Housing S	nai į al	ELTXPE OEM _] Other (explain):	ORTGAGI	ANDSTER MS C Agency Case N		The state of the s	ender Cas	se Number
Amount \$		Interest Rate 000: 7.000	%	io. of Months 360/360	Amortizat	□ GPM		other (explain); RM (type); 2/28	<u>:</u>	
Subject Pro	operty Add	ess (street, city, sta	te. ZIP)	PROPERTYJNI		N;AND PURPO	SE OF EO	NAME OF		
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										Year Built 1987
Purpose of		Refinance Cons	truction truction-f	'empanent	her (explain	:	Property v	vill be;		
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Darrick G Social Security	y Number	Home Phone (incl. arc	en code)	DOB MM/DD/YYY	Vor Coboo	Totanda Grin	ies :		:	
133-84-30	157	718-454-3331		01/09/1962	14	111-56-6446	mber Home	Phone (Incl. area	code) DC	DB (MM/DD/YYYY) Yrs. School 0/29/1968 14
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		, city, state, ZIP)	<b>☑</b> 0v	n Rent	No. Yrs				no. 2 VIOwn	ages 2,14  Rent7_No. Yrs.
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Legal Assi			1	ess Phone (incl., ar 716-2069	ea code)	Position/Title/Type		3	t.	Phone (incl. area code)
	100	position for less th	-		tly emolo	Legal Assistan			212-90	9-6401
	ess of Emp	loyer:	Self-Emp	loyed Dates (from	-to) .	Name & Address o	ire position of Employer			g: yed  Dates (from-to)
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- Case 1:00 ov	13.V-MONT	TCIZ	一	S CINISINI	CUSHOUS!		RMAT	ON A C	
Gros <b>Cracko</b> In <b>1:08-CVe</b> Base Empl. Income						Combined McCtoly Housing Expense	וטע/	Present	Proposed
Base Empl. Income* \$ Overtime	6,493.00	\$ 3,06	51.00	\$	9,554.00	Rent	\$	`	120450907
						First Mortgage (P&I)		1	\$ 2,694.48
onuses		<u> </u>				Other Financing (P&I)			. 270.00
ommissions						Hazard Insurance			· 75.00
lividends/Interest let Rental Income	1.070.00					Real Estate Taxes .			585.00
Wher (before completing,	1,076,00			ļ	1,076.00	Mortgage Insurance		;	
her income," below)	·	<u> </u>				Horneowner Assn. Due:	5		
otal S	7,569,00					Other	<u> </u>		
Self Employed Borrower(s) may			1.00	S 1	0,630.00	Total	\$	ı	\$ 3,624,48
Describe Other Income No.		ver (b) or Co-F	oorrower	(C) does no	of choose to	ome need not be revea have it considered for	repayin	g this loan.	Monthly Amount
						· .		<u>i</u>	
CONTRACTOR	Later a comment of the							!	
his Statement and any applicable ined so that the Statement can be ection was completed about a spo ASSETS	ouse, this State	ement and sup	porting so	chedules n	nust be com	pleted about that spous	ș and Si e also.	Completed	Jointly Not Jointly
escription ASSETS	Cas	h or Market Value	Ciabili debis	ities and P including a	ledged Asse	ets. List the creditor's nar ans, revolving charge ac	ne, addr	ess and account	number for all outstanding.
ash deposit toward purchase held	iby: \$								
						are owned or upon teling	icing of	ine subject prope	erty.
ist checking and savings accou	unts below				LIABIL	THES	Monti	the subject proper hly Payment & hs Left to Pay	rty. Unpaid Balance
			Name			THES	Monti	ine subject properly hly Payment &	erty.
ame and address of Bank, S&L, o			Name HFC P.O.	and addre	LIABIL sss of Compa	TTES	Monti	the subject proper hly Payment & hs Left to Pay	erty.
ame and address of Bank, S&L, o			Name HF0 P.O. CHE	and addre L- USA . BOX 154 SAPEAK	LIABIL ss of Compa	MES	Monti Monti \$ Payri	ine subject properly Payment & hs Left to Payment Months	Unpaid Balance
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Total Assets a. S

Life insurance net cash, value'

Real estate owned (enter market value from schedule of real estate owned)

Vested interest in retirement fund

Net worth of business(es) owned (attach financial statement) Automobiles owned (make and year)

Other Assets (Itemize)

Face amount \$ Subtotal Liquid Assets

218

(94)

1,910

Total Liabilities b.

37,532

\$ Payment/Months ·

7,281

1,882

CAPITAL 1 BK PO BOX 85015 RICHMOND, VA 23285

Acct no. 517805246356

Acct no. 72062410245

Total Monthly Payments

Alimony/Child Support/Separate Maintenance Payments Owed to:

Job Related Expense (child care, union dues, etc.)

HSBC/LEVYZ 90 CHRISTIANA RD NEW CASTLE, DE 19720

Name and address of Company

26,500-

440,000

466,500

Schedule of Real Estate Owned disaddillon		ar dinaV		AND MUABILITIES					
Schedule of Real Estate Owned (if additions Properly Address lenters if sold, PS if pendin	JÜ	gież ate	Jucuine	notional siles	, Filed t	6/16/2	UU8 Insuran	<del>Ta</del> (	<del>je 23</del> (
si ce a residencia del lacolde)	8 seic	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage	Maintena	ince,	Net
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List any additional names under which cred Alternate Name	fit has	Totals	\$ 440,000	\$ 312,000	\$ 4,400	\$ 2,02	4 \$	200 \$	1,076
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a. Purchase price	3 .	150,000.0	0 If you answer	r "yes" to any guest	ions a through i	Diesea usa no	A THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN THE PERSON NAMED IN THE PERSON NAMED IN THE PERS	a state	e series e
b: Alterations, Improvements, repairs			sheet for exp	lanation.		hicase ase Co.		Borrowe	Co-Borrowe
c. Land (if acquired separately)			a. Are there a	ny outstanding judgm	rente soninet unun			res No	Yes No
d. Refinance (incl., debts to be paid off).			b. Have you b	een declared bankrup	of walthin this man a		I		
e. Estimated prepaid items		3,626.2	5 c. Have you h	ad property foreclose	og mann me bast t	Aest2.5	l		
f. Estimated closing costs		9,218,5	in the last 7	years?	a abou or given At	e or deed in lie	u thereof [		
g. PMI, MIP, Funding.Fee	-		⊣.	arty to a lawsuit?					
h, Discount (if Borrower will pay)		*	e. Have you di	iceally or indirectly be	od shillsered		. [		
. Total costs (add items a through h)	4	62,844.75		rectly or indirectly be transfer of title in lies					
Subordinate financing			This would in	ciude such loans as hom onal loans, manufactured	e mortgage loans, SB	A loans, home imp	rovement		
k. Borrower's closing costs paid by Seller.		· .	obligation, bor	ciude such loans as hom onal-loans, manufactured nd, or loan guarantoo. If: nder, FHA or VA case nur	Yea," provide details.	any mongage, fil including date, no	nancial me and		ĺ
I. Other Credits(ëxplain):			f. Are vois now	sently deligences	noer, If any, and reas	one for the action.)			
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			g. Are you obli	gated to pay alimony.	child support or s	eparate mainte	nance?	_ []	
The state of the s			ur is any bart o	i the down payment b	Onowed?		r	1	
			L Are you a co	-maker or endorser o	n a note?		- -	:	
m. Loan amount			i Areyoua U.	S. ritisana				[	لتنا سب
(exclude PMI, MIP, Funding Fee financed)	40	5,000.00		5. citizen? rmanent resident alle	-0		Q.		$\square$
			l. Do von into	nd to prove "	m?				
n. PMI, MIP, Funding Fee financed			If Yes, compl	nd to occupy the price of the p	operty as your pi	imary residen	ce? 🔽	1 🗆	
o. Loan amount (add m & n)			m. Have you har	d an ownership intere	stin a nonnesti !-	this last the		ا ا	rimper
- Court distributing (add III &-D).	. 40	5,000.00	(i) What type	e of property did you :	ร์งคา โซกโวกกับ-0W0	ine iasi mree y	ears?	ال ،	
p. Cash from/to Borrower			second no	me (SH), or investme	ont property (IP)?			or/lip	Dr.E.
(subtract), k, 1% o from i)-	- 4	7,844.75	(2) How did y	ou hold title to the ho	me-solely by your	self (S),			pr/ip
Kaling and the same of the sam	300184005	The State of the S	: Jointly With	Your spouse (SP), or	cigintly with anoth	er person (C)2		SP	SP.
and the undersigned specifically represents to Le and agrees and acknowledges that (1) the information and agrees and acknowledges that (1) the information contain blance upon any misrepresentation that I have made of Talle 18, United States Code, Sec. 1001; et sequ. (2) described herein; (3) the property will not be used for escidential morig age loan; (5) the property will be escidential morig age loan; (5) the property will be supplication from any source named in this application, so not approved; (7) the Lender and its agents, brokers biligitated to amend and/or supplement the information.cum; (6) in the event that my payments on the Loar elating to souch deling uency, report my name and acount may be transferred with such notice as a gorassantain or warranty, express or implied to me a	es e IX	#ACKN	UWLEDGME	NTMANDEAGRE	MENTS IN				
and agrees and acknowledges that: (1) the informati	on prov	na to Lend ided in this	er's actual or pot opplication is the	tential agents, brokers	processors, attor	neys, insurers,	servicers, .suc	CBSZOIS	and assions
eliance upon any misrepresentation that I have made	ned in t	his application	tion may result in	civil liability, including	monetary damag	opposite my sit	nature and the	atany i	ntentional or
range to, United States Code, Sec. 1001; et seq.; (a tescribed herein; (3) the property will not be used for	2) the k	on reques	ted pursuant to the	nis application (the "t.	, but not limit ed to oan'i will be secur	fine or Impriso	nment or both	under th	e provisions
esigential mortgage loan: (5) the property will be opposite from any source parmet in this artist the	occupied	as indical	led herein; (6) a	r use; (4) all statemen ny owner or services	its made in this ap	p lication are m	ade for the pi	ibose of nast ou	nte property
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Face-to-face interview Interviewer's Signi	ature			Date	WCS Financia	l Services			
Telephone			F 4	,	5501 Congres Boca Raton,	⇒ Avenue, 3r FL 33487	100F		
Internet interviewer's Phon	e Num	per (incl. a	irea code)		(P) 866-927-53	63			
866-927-5363			-	1	(F) 561-864-28	01			

Page 3 of 4

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Use this continuation sheet if you need more space to complete the	Borrower.		Agency Case Num	iber:
Residential Loan Application, Mark B for Borrower or C for	Darrick Grimes	490	1	
Co-Borrower.	Co-Borrower:		Lender Case Numi	рег
	Yolanda Grimes			
			- ;	
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		322 WALL STREET		
		PRINCETON, NJ 08540		
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A Ac Na Ac Na PO BOX 85015 RICHMOND, VA 23285 Acct. no. \$ Salt. or Credit Union ... Acct. No.: 517805256683 15 255. Name and address of Company \$ Payt/Mos. ACTION CARD/BANK FIR . POB 2394: OMÁHA, NÉ 68103 \$ Acct. No.: 5256181011029103 I/We fully understand that it is a Federal offine punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq. Freddie Mac Form 65 01/04 CALYX Form 1003 Lnap4ast/rm 01/04

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Use this continuation sheet if you	Borrower,		MATERIAL STREET
need more space to complete the Residential Loan Application.	Darrick Grimes	Agency Case Number,	
Mark B for Borrower or C for Co-Borrower	Со-Ватоwer.		
O-DOLIOWSI,	Yolanda Grimes	Lender Case Number.	

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Fannie Mae Form 1003 01/04

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Freddie Mac Form 65 01/04
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Page 4 of 4

Fannie Mae Form 1003

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Mark. 8 for Borrower or C for Co-Borrower.

	Воложег,
į	Darrick Grimes
i	Co-Borrower;

Yolanda Grimes

Agency Case Numbe

Lender Case Number.

Schedule of Real Estate Owned				and Elabierie				
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(Lender) (Date)

MORTGAGES MADE BASIER

## NEW YORK: PRE-APPLICATION DISCLOSURE AND BROKER FEE AGREEMENT

- The Registrant, WCS Financial Services (since Registrant is "acting as a mortgage broker"), may not make
  mortgage loans or commitments. The Registrant ("WCS") may furnish a lock-in or commitment to Applicant
  on behalf of Applicant when WCS has obtained a written and executed commitment or lock-in from a lender
  on behalf of Applicant.
- WCS has advised me/us ("Applicant/s") that WCS is authorized and prepared to assist and advise Applicant/s
  in securing financing. Applicant/s understands that WCS's services may include, but are not limited to:
  - Counseling on available mortgage products and general qualification procedures;
  - Counseling on Applicant/s financial capabilities;
  - Assistance in completing, processing, and in meeting conditions of the loan.
- Applicant/s hereby engages WCS as Applicant's agent for the purpose of advising Applicant/s about financing
  and to provide the services described herein. This agreement will continue until the earlier of the declination
  of Applicant/s loan request, the closing of the loan, or Applicant/s termination of WCS's services.
- 4. Prior to paying any fees or submitting an application, the Applicant/s understands that: WCS's services are advisory and administrative in nature. WCS is acting as a broker and will not make the mortgage loan or commitment. WCS cannot guarantee acceptance into any particular loan program, specific loan terms or conditions. WCS may be eligible to receive a Lender paid bonus based upon the quality of loans placed with the Lender.
- 5. BROKER FEE:

Applicant/s understand that, as compensation for WCS's services, WCS will be paid as indicated below:

- A. The maximum fee the Lender will pay WCS is not known at this time and will be in the range of 0.00% to 4.00% of the loan amount. The exact amount, if any, can be disclosed when the Lender confirms a rate lock request. The compensation WCS will receive from the lender for WCS's services is included in the rate, points, fees and terms of the loan as quoted by the Lender in its commitment; and/or,
- B. The Applicant/s will pay WCS directly a total mortgage broker fee (inclusive of Application Fee and Processing Fee noted in Item 7) of \$4,945.00 .
- 6. WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties:
- Applicant/s understands that s/he is required to pay the following fees, made payable to (WCS Lending, LLC), at Application or at Closing:

 A.
 Application Fee
 \$295.00
 At Application

 B.
 Processing Fee
 \$650.00
 At Closing

 C.
 Mortgage Broker Fee
 \$4,000.00
 At Closing

#### THE APPLICATION FEE IS NON-REFUNDABLE

- 8. WCS's mortgage broker fee, whether paid by Applicant/s directly, or from the loan proceeds, or by the lender, will be considered a cost of the credit and will be disclosed to Applicant/s by the Lender as part of the financing charges. Applicant/s understand the fee will be paid to WCS, and there is no other fee agreement between the parties.
- 9. Applicant understands that s/he is required to pay a property appraisal fee directly to the appraisal company, either at the time the appraisal is performed, or at the closing of the loan. The estimate for this cost is \$300.00. Applicant/s understands that s/he has the right to a copy of the appraisal report, provided that Applicant has paid the Appraisal Fee in full. Applicant understands that he/she will not be charged for a credit report that WCS will obtain on Applicant/s behalf at a cost of approximately \$18.
- 10. Applicant/s understand that certain mortgage products impose a prepayment penalty on the borrower. WCS will disclose the amount of, or the formula for calculating, the prepayment penalty, if any, as soon as WCS is
- 11. TO EXPEDITE THE APPROVAL OF THE LOAN, APPLICANT/S HEREBY PRE-AUTHORIZATIONS WCS TO INCUR THIRD-PARTY FEES (ie., FLOOD CERTIFICATION OF \$22.00) ON APPLICANT/S BEHALF. APPLICANT/S AGREES TO REIMBURSE WCS FOR THE FEES ADVANCED.
- Applicant/s may call William Schneider, Toll Free, at (856) WCS-LEND to address any complaints regarding the application. Any changes to this Agreement must be in writing and signed by an authorized officer of WCS.

  Applicant/s acknowledges receipt of a copy of this Broken For Agreement.

MORTGAGES

# RATE LOCK / FLOAT ADDENDUM

Applicant acknowledges that the interest rate on this loan is floating unless Applicant receives an Interest Rate Lock-In Agreement confirmation from WCS Lending by mail, e-mail or fax. Applicant must sign an Interest Rate Lock-In Agreement in order to have the lock-in guaranteed by WCS Lending. If Applicant has not signed an Interest Rate Lock-In Agreement, the rate is <u>not</u> locked and therefore not guaranteed.

If Applicant has locked in a rate, and WCS Lending has not received an application package back within Seven (7) days, the Interest Rate Lock-In Agreement will be

Please c	heck the appropriate selection and sign below:	
	I have received an Interest Rate Lock-In Agreement and my rate is in accordance to what was agreed.	ent from WCS Lending
	I acknowledge that my interest rate is currently floodaily changes based upon market fluctuations.	ating and is subject to

# Exhibit B - Part 2

MORTGAGES MADE EASIER

### OPT-OUT REQUEST FORM

<u>Plea</u>	<u>se Print:</u>		
1)	Borrower and Co Name:	Darrick & Yola	enda Grimes
2)	Address:	188-19 104th Ave	
3)	City, State and Zip:	St. Albans, No	1 11412
4)	Borrower and Co SS #:	<u>133-84-3057</u> (Required to Process Yo	/ 111-56-6446 Vir Reguest)
5).	Loan #:		
6)	Borrower and Co Signature:	Jarush Inc.	6 Gelanda Grinis
7):	Please provide a telephone questions:	number that we may use	to contact you if we have
	917 716-8580	·	*
8)	Please complete all information	n in this form, and mail it ba	ick to the following address:
	Attn: Operations Manager WCS Lending, LLC 6501 Congress Avenue, Boca Raton, FL 33487		
Applio Co-Ap	may be contacted by affiliat loan application.	ed third parties, only for sel	n sharing with non-affiliated by law). I understand that I rvices directly related to this  9-20-05  Date  Date

Please allow a reasonable period of time (up to 90 days) for us to process your request.

#### MORTGAGES MADE EASIED

Damages and Costs
Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that section.

	of that section.
Ser 1.	vicing Transfer Estimated  The following is the best estimate of what will happen to the servicing of your mortgage loan:
	A. We may assign, sell or transfer the servicing of your loan sometime while the loan is outstanding.  We are able to service your loan, and we  will service your loan.  will not service your loan.  haven't decided whether to service your loan.  B. X We do not service mortgage loans, and we have not serviced mortgage loans in the past Three (3)
	We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be
2.	For all the first lien mortgage loans that we make in the 12 month period after your mortgage loan is funded, we estimate that the percentage of such loans for which we will transfer servicing is between:
	☐ 0 to 25% ☐ 26 to 50% ☐ 51 to 75% <b>X</b> 76 to 100%
	This estimate X does does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring decisions.
3.	A. X We have previously assigned, sold or transferred the services of the first lien mortgage loans.  B. X This is our record of transferring the servicing of the first lien mortgage loans we have made in:
	Year Percentage of Loans Transferred 2002 100% 2003 100% 2004 100%
. •	This information X does does not include assignments, sales or transfers to affiliates or subsidiaries.
/We	have read this disclosure form, understand its contents, and understand that this acknowledgement is a red part of the mortgage loan application as evidenced by my/our signatures below.
pplic	Alanda Grimos 9-20-00
o-Áb	Date

### DISCLOSURE NOTICES

Applicant(c)	Yolanda Grimes				
Applicatic(s).	rolanda Grimes	Proper	y Address:		: د
<del></del>			, NY		1
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An investigation and scope of an In the event. Consumer Report	n will be made as in ny investigation will of denied credit du	FAIR CREDI to the credit standing I be furnished to you te to an unfavorable ting such report and tions of section of the	T REPORTING ACT of all individuals see upon written request consumer report, yo of right to request w Fair Credit Reporting	eking credit in made within a ou will be ady vithin Sixty (6 Act.	this application. The nature reasonable period of time ised of the identity of the 0) days the reason for the Initials
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arr FHA Loan). consideration or the case of a VA	has a right of ac administration of loan) or to Hun	ice to me/us as requested to me/us as requested for inancial reassistance to Financial (in the case of an FH, overnment agency or	cords held by finant I records involving tr A Loan) without furth department without of	o Financial Pri g and Urban D cial Institution ansactions will er notice or a consent, excep	vacy Act of 1978 that the evelopment (in the case of s in connection with the be available to the VA (in thorization but will not be tas required or permitted Initials
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Federal regulation dentified by the control of the	ns require us to in U.S. Secretary of he property caused on available for the unaverse and question ase notify your instance must read as follows.	FLOOD INSUR, iform you that the p dousing Urban Develo by flooding in a Fedine property. At close no concerning this no concerning that the lows, unless otherwis	ANCE NOTIFICATION OF THE PROPERTY USED AS SECURITY OF THE PROPERTY OF THE PROP	ON urity for this I ecial flood haze er, Federal di d to: acknowl our loan office for the mortga	oan is located in an area ands and that in the event saster relief assistance, if edge your receipt of this toge on both the hazard and tritials.
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wa hereby certing the hereby certing the hereby certificant.	y that I/Ve have in	ead the Notices set for Date	rth and fully understand	da Di	Mes 9-70-05
	•		(A) applicant	( )	Date

### MORTGAGES MADE EASIER

# NOTICE TO APPLICANT OF RIGHT TO RECEIVE COPY OF APPRAISAL REPORT

Property Address:

NY

File #:

NT80659

Date:

September 13,

You have the right to receive a copy of the appraisal report to be obtained in connection with the loan for which you are applying, provided that you have paid for the appraisal. We must receive your written request no later than Ninety (90) days after we notify you about the action on your application or you withdraw your application. If you would like a copy of the appraisal report, please contact:

Jonathan Tanenbaum WCS Lending, LLC 6501 Congress Avenue, 3rd Floor Boca Raton, FL 33487

Applicant

Co-Annlicant

Date

Date

### MORTGAGES MADE EASIE

Prepared By:

WCS Lending, LLC

# GOOD FAITH ESTIMATE PROVIDER RELATIONSHIP

Applicants:

Yolanda Grimes

, NY Application No: NT80659	Boca Raton, FL 33487  Date Prepared: September 13, 2005  ettlement services (if none are listed,
Application No: NT80659	
	ettlement services (if none are listed,
Lender requires use of the following provider(s) of se Lender does not require the use of specified provider	iets):
Provider Equiifax  Address 6 E Clementon Road, Suite A-2  Gibbsboro, NJ 08026  Phone 1-800-333-0037  Services to be rendered by this provider are items number	Provider
above and the amounts listed are based upon the charges of this provider. If checked, Lender has the following type of business relationship with this provider:  [ ] The provider is an associate of Lender.  [ ] The provider is an affiliate of Lender.  [ ] The provider is a relative of Lender.  [ ] The provider has an employment, franchise or other business relationship with Lender.  [ ] Within the last 12 months, the provider has maintained an account with Lender or had an outstanding loan or credit arrangement with Lender.  [X] Within the last 12 months, Lender has repeatedly used or required borrowers to use the services of this provider.	above and the amounts listed are based upon the charges of this provider. If checked, Lender has the following type of business relationship with this provider:  [] The provider is an associate of Lender.  [] The provider is an affiliate of Lender.  [] The provider has an employment, franchise or other business relationship with Lender.  [] Within the last 12 months, the provider has maintained an account with Lender or had an outstanding loan or credit arrangement with Lender.  [] Within the last 12 months, Lender has repeatedly used or required borrowers to use the services of this provider.  Add Mark Mark Mark 9-20-05  Date
	$\vee$
olicant Date A	pplicant Date

#### MORTGAGES MADE EASIER

Do not do anything that negatively impacts your ability to qualify for your mortgage loan, or initiates a new round of paperwork. If you have any doubts about doing something that may affect your ability to qualify for your mortgage loan, please do not hesitate to contact me.

These suggestions are all offered as cautions. Your mortgage application is not a static snap-shot of a client's financial life, but rather an on-going process that takes into account everything done right up until the day of closing.

By signing this Statement of understanding, you acknowledge that the information above has been fully explained to you.

Applicant

Date

# CONTACT INFORMATION FORM

This form is designed to gives us all the appropriate contact information to allow your processing to move as freely as possible. The information gathered here will also help us provide periodic updates on loan status, market conditions and any special promotions WCS Lending may be running.

DOLL-OVEL:	i e e e e e e e e e e e e e e e e e e e		
Name: Address:	Darrick & Yolanda Grim 188-19 104th Avange 3t Albans, New York 11412		14]
E-mail:	Yparimes@aot.com	Pager: / / / / / / / / / / / / / / / / / / /	
Your Realt	or:		
Agency: Name: Address:	Word Kasy Lifestyle Lyra Blumenthal 655 Fostertown Road Newhungh, NY 12550	Phone (W): 845) 565-1900 E-mail:	
Your Attor	nev:		
Firm: Name: Address:	Keith Schutzman  174 Minite Plains Kond Suitezzo Scarsdale, NY 10583	Phone (W):94)7/3-006/ E-mail: Mobile: Pager: Fax: (9/4)7/3-0004	
Seller:		Listing Agent:	•
Name: Phone:		Name: Phone:	
Managing A	Agent:	• • • • • • • • • • • • • • • • • • •	
Name: Phone:			

# RESIDENTIAL CONTRACT OF SALE

faintly Prepared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association (11/00)

# CONSULT YOUR LAWYER BEFORE SIGNING THIS CONTRACT.

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION. This contract form does not provide for what happens in the event of fire, or other ensualty loss or condemnation before the other classing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title change

WARNING: PLAIN LANGUAGE. No representation is made that this form of contract for the sale and purchase of real extra complies with Section 5-702 of the General

CONTRACT OF SALE made as of

2, 2005 Ronald J. Cohen and Ann Eve Cohen, hysband and wife

Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Social Scenrity Number/Fed. I. D. No(s):

hereinafter called "Seller" and

between

Darrick Grimes and Yolanda Grimes, husband and wife Address: 188-19 104th Avenue, St. Albans, New York 11412

Social Security Number/Fed. I. D. Nc(s):

hereinafter called "Purchaser."

The parties hereby agree as follows:

1. Premises. Seller shall sell-and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A," annexed hereto and made a part

Street Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Tax Map Designation: Section 106, Block 2, Ivot(s) 4.2, Town of Newburgh, Orange County

Together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, apened or proposed, adjoining the Premises to the conter line thereof, including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages. \_attached

Personal Property. This sale also includes all Vixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, maniels, door mirrors, switch plates and door hardware, venetian blinds, window treatments, shades, screens, awnings, storm windows, storm doors, window boxes, mail box, TV verials, weather wane, flaguole, pumps, shrubbery, fencing, outdoor statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built in microwave own, refrigerator, freezer, hir conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below, farther our inapplicable-liena).

central vacum, ceiling fan, cook top, compactor, garage door opener, microwave wall oven, 2 sheds, pool heating, pool

Excluded from this sale are furniture and household furnishings and

\* and Stacy Lee Drive prlvate road and interest therein

3. Purchase Price. The purchase price is payable as follows:	\$	435,000,00
(a) On the signing of this contract by Durcheaute	(as hereinaster desi	ned), subject to
"Downpayment"):	igraph 6 of this con	tract (the
(b)—by allowance for the principal amount unpaid on the existing mortgage on the date shall use my jointler in the date	a hereof <del>, paymento</del>	20,000.00 Fwhich Purchaser
(c) by a purchase money nate and mortages from purchaser a sallor	\$	
(d) bottance at Closing in accordance with paragraph 7;	\$ \$	415,000.00
4 Existing Mortgage (Delete if inapplicable) If this sale is subject to an existing mortgag  (a) The Premises shall be conveyed subject to the continuing lies of the condinuing	ro ne judicated in	
(a) The Premises shall be conveyed subject to the continuing lien of the existing mortgage interest at the rate of percent per annum in monthly installments of the continuing lies of	ago, which is never	ngly payoble with
interest and excrove amounts if any and with any holores of		: k.include principal
(b) To the extent that any required payments are made on the existing mortgage between treduce the unpaid principal amount thereof below the amount above in page 1.7(1).	ວກ ~	
reduce the unpaid principal amount thereof below the amount shown in paragraph 3(h), then the Closing under paragraph 3(d) shall be increased by the amount of the paragraph 3(h), then the same the paragraph 3(d) shall be increased by the amount of the paragraph 3(h), then the same the paragraph 3(h), then the same that the	<u>m the date hereof a</u> the balance of the n	ad Closing which
Closing under paragraph 3(d) shall be increased by the amount of the payments of principal summent shows in paragraph 3(b) is substantially correct and agrees that only paragraph 3(b) is substantially correct and agrees that only paragraph.	seller represents on	the payable at
made between the date hereof and Closing	ou mucho existing n	n <del>ongsaco-will be</del>
(c) — If there is a montgager exercise account, Seller shall assign it to Purchases, if it can be shall pay the amount in the exercise account to Seller at Closing	e avejanog ang je	dhaticaca Pusahwa
(d) Soller shall deliver to Purchasur at Clarica a social		
(d) Soller shall deliver to Purchaser at Clering a certificate dated not more than 30 days of the existing meetigage, in form for recording, certifying the unrount of the unpaid principal, paid and the amounts at any claimed to be unpaid for principal and the amounts.	<del>: kuloro Cloning s</del> ig	ined by the holder
paid and the amounts, if any, claimed to be unpaid for principal and interest, itemixing the san according such certificate. If the holder of the existing mestages in a bound of the san	ane dole to which i	nicrost has been
recording such certificate. If the holder of the existing mortgage is a bank or other inclination.  Property Law it may instead of the explicate funish a letter closed by a day.	is defined in Section	u 274 a of the Deal
Property Larvil may, instead of the estitionte, furnish a letter signed by a duly authorized office than 30 days before Closing, containing the same information	ant curbjoher or st	out, dated not mor
(a) Soller represents and warrants that (i) Galley has detailed		
the note recured thereby and any extensions and modifications thereof, (ii) the existing mortisa.  Closing will not be, in default, and (iii) the existing mortisa mortisa existing mortisa.	aplute copies of the	-cxisting-mortgage
Closing will not be, in default, and (iii) the existing mortgage does not contain any provision the toquire its immediate payment in full or to change any plant from the section and provision.	issue nove and and but normite the bot	ar the time of
to require its immediate payment in full or to change any other term thereof by reason of the sa	He in conveyance o	.ki-oi inc.marigage f the Promises
5 Purchase Money Marigage (Delute if Inapplicable) If there is to be a purchase money in 3(c) above.	nortuore on lead and	
3(c) above:	non-Gaste as Materia	ca in paragraph
(a) The purchase money note and mortgage shall be drawn by the attorney for Seller in standard form adopted by the New York State I and Title Association Purchase True I and Title Association Purchase I and Title I and	the form attached c	r is not in the
recording fees and the atlogueve fees in the amount of a	losing-the mortgag	c recording fax,
(b) The purchase money note and programs half the money for its preparation	ng	~- <del>~~~</del>
rain thereof shall not be greater than percent per annua and the total debt service.	thereunder shall in	at frittie torcates (pas
\$ per annim, and (ii) if the principal amount thereof shall exceed the amount of existing mortgage at the time of placing such new mortgage or convolidated.	of principal owing:	and manaid on the
existing mortgage at the time of placing such new mortgage or consolidated mortgage, the executive appetition of the arrival of the executive and the execut	re he paid to the h	older.ofsuch
to the holder thereof shall not after or affect the results by the	shall_also.provide t	that such payment.
	r ibereunder and, ti	wt.the holder
-officetation-super-super-gipation-	comout or illicomo	mis further to
6. Downpayment in Escrow, (a) Soller's afformer ("George world about 1 1 1 1 2		
6. Downpayment in Escrow, (a) Soller's attorney ("Escrowee") shall hold the Downpayment account at The Bank of New York	t in escrow in a seg	regated bank
August 225 Main Street Cocken New Voul- 10004		
until Closing or sooner termination of this contract and shall pay over or apply the December 1	ent in accordance o	ith the terms of
this paragraph. Escrowee shall hold the Downpayment in a(n) non interest-bearing accounterest is held for the benefit of the parties it shall be raid to the	count for the benef	in die wins of il of the partice of
un IOI.A account or as otherwise permitted or required by law. The School Security or Federal Is shall be furnished to Escrowee upon request. At Closing, the Downpayment shall be paid by Esc. Closing does not occur and cities party gives Notice (so the Board of the Board of the Party gives Notice (so the Board of the Board	dentification numb	ers of the parties
Closing does not occur and either party gives Notice (as defined in paragraph as) to Famour	crowed to Seller. If	for any reason

Closing does not occur and either party gives Notice (as defined in paragraph 25) to Escrowee demanding payment of the Downpayment, Escrowee shall give prompt Notice to the other party of such demand. If Escrowee does not receive Notice of

objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or If for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations

- (b) The parties acknowledge that, Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowce shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowce, Seller and Purchaser jointly and severally (willi right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowec's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.
- (c) Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting upon the advice of such counsel.
- (d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.
- (c) Escrowce or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and
  - (f) The party whose attorney is Escrowed shall be liable for less of the Downpayment.
- Acceptable Funds. All money payable under this contract, unless otherwise specified, shall be paid by:
  - Cash, but not over \$1,000.00;
- Good certified check of Purchaser drawn on or official check issued by any bank, suvings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;
- (c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of \$ 250.00
  - (d) As otherwise agreed to in writing by Seller or Soller's attorney.

### 8. Mortgage Commitment Contingency. (Delata paragraph if inapplicable for explanation, see Neter on Mortgage Commitment Howard Clause)

- (a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(j) (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, 391,506.00 for a term of at least sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other years (or such lesser customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding dobt, no material adverse change in Purchasor's financial condition or any other customary conditions. Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Londer's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(c) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.
- (b) Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage Ioan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt
- (c) (Delete this subparagreph of inapplicable). Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the

terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such

(d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Dute, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has

(e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied

(f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser and except as set forth in paragraph 27.

(g) If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.

(h) If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) and except as set forth in paragraph 27.

(i) For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage founs.

(j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.

Permitted Exceptions. The Premises are sold and shall be conveyed subject to:

- (a) Zoning and subdivision laws and regulations, and landmark, historic or wellands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;
  - (b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;
  - (c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;
  - (d) Real estate taxes that are a lien, but are not yet due and payable; and
  - (c) The other matters, if any, including a survey exception, set forth in a Rider attached.
- 10. Governmental Violations and Orders. (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date hereof by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose
- (b) (Delete if inapplicable). All obligations affecting the Premises pursuant to the Administrative Code of the City of New York Incurred prior to Closing and payable in money shall be discharged by Saller at or prior to Closing...
- 11. Seller's Representations. (a) Seller represents and warrants to Purchaser that:
  - (i) The Premises abut or have a right of access to a public road;
- (ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;
- (iii) Seller is not a "foreign person," as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");
  - (iv) The Premises are not affected by any exemptions or abatements of taxes; and
  - (v) Seller has been known by no other name for the past ten years, except

- (b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.
- (c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.
- 12. Condition of Property, Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of closing (except as otherwise set forth in paragraph 16(c)); without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.
- 13. Insurable Title. Seller shall give and Purchaser shall accept such title as any reputable title insurance or abstract company shall be willing to approve and insure in accordance with its stundard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract.
- 14. Closing, Deed and Title, (a) "Closing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a bargain and sale with covenant deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law,
- (h) If Seller is a corporation, it shall deliver to Purchaser at the time of Closing (i) a resolution of its Board of Directors anthorizing the enterind delivery of the deed, and (ii) a certificate by the Scapetary or Assistant Specetary of the corporation certifying such resolution and serving forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corperation-Law. The dead in such case shall contain a resital aufficient to establish compliance with that Soction.
- Closing Date and Place, Closing shall take place at the office of Seller's attorney
- 10AMo'clock on or about September 15, 2005 or, upon reasonable notice (by telephone or otherwise) by Puroliaser, at the office of lender's attorney
- 16. Conditions to Closing. This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:
  - (a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.
- (b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property family dwelling at the date of Closing.
- (c) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign person, which certificate shall be in the form then required by FIRPTA, or a withholding certificate from the LR.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under PIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required
- (d) The delivery of the Premises and all buildings(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.
- (e) All plumbing (including water supply and septic systems, if any), heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the buildings(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.
- (f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.
  - (g) The delivery by the parties of any other affidavits required as a condition of recording the deed.
- 17. Deed Transfer and Recording Taxes: At Closing, certified or official bank checks payable to the order of the appropriate

State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

- 18. Apportionments and Other Adjustments; Water Meter and Installment Assessments. (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing:
- (i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transforable insurance policies and renewals of those expiring prior to Closing; (v) wantle charges; (vi) rents as and when collected. (iii) Apple Knoll Estates \$100 per quarter maintenence fe
- (b) If Closing shall occur before a new rax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.
- (c)—If there is a water motor on the Premisus, Saller shall furnish a reading to a data not more than 30 days before Closing and the mater clearge and some rent, if any, shall be apportioned on the basis of such had reading.
- (d) If at the date of Closing the premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.
- (e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing. This subparagraph shall survive Closing.
- 19. Allowance for Unpaid Taxes, etc. Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid laxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefor computed to said date are produced at Closing.
- 20. Use of Porchase Price to Remove Encumbrances. If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash bulance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient moneys with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises and will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), prechaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.
- 21. Title Examination; Seller's Inability to Convey; Limitations of Liability. (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract or, if this contract is subject to the merigage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.
- (b)(i)If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close tifle without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove, remedy or comply with period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If of such adjournment(s), and if Purchaser shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abutement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing.
- (c) If this contract is cancelled pursuant to its terms, other than as a result of Furchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless

cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaser for the not cost of examination of title; including may appropriate additional charges related thereto, and the not cost, if actually paid or incurred by Purchaser, for uptaking the existing survey of the Premises or of accuracy, and (ii) the obligations under paragraph 27 shall survive the termination of this contract.

- 22. Affidavit as to Judgments, Bankruptcies, etc. If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.
- 23. Defaults and Remedies. (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.
- (b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.
- 24. Purchaser's Lien. All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.
- 25. Notices. Any notice or other communication ("Notice") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowes, by registered or certified mail, poslage prepaid, or
- (b) delivered in person or by overnight conrier, with receipt acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered, or
- (c) with respect to ¶7(h) or ¶20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries. This contract may be delivered as provided above or by ordinary mail.
- 26. No Assignment. This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.
- 27. Broker, Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Easy Lifestyle Real Estate (selling broker) and Century 21 Anarumo-ZOAR Realty (listing broker)
- ("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indomnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or, if Closing does not occur, the termination of this contract.
- 28. Miscellaneous. (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.
- (b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.
- (c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.
- (d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.
  - (c) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

(f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.

(g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.

(h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

(i) If applicable, the complete and fully executed disclosure of information on lead-based paint and/or lead-based paint hazards is attached hereto and made a part hereof.

HEREOF, this cont been duly executed by Social Security No./Fed. I D. No.

Attorney for Seller:

Cohen, Estis & Associates, LLP

Address: 40 Malthews Street

Goshen, New York 10924

Tel.: (845) 291-1900

Fax: (845) 291-0861

Attorney for Purchaser: Mark Marmer, Ban.

Dehevoise-&-Pinapion LLE

Address: 919 3rd Avenue

New York, New York 10022

Tel.: (2-12)-909-72-H

Pax: (212) 909-6386

Receipt of the Downpayment is acknowledged and the undersigned agrees to act in accordance with the provisions of paragraph 6.

Coben, Estis & Associates, I

-- Case 1:08-cv-01024-JGK Document 21-4 Filed 06/16/2008 Page 17 of 33

Inderwriler No. 8711048097 Tille Number 0211040653 Schedule A Description

Page 1

ALL that certain plot, piece or parcel of land situate lying and being in the Town of Newburgh, County of Orange and State of New York, being designated as Lot No. 11 on a map entitled "Subdivision Plan Lands of Parcel Development Corp.", dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map No. 7681, being mare particularly bounded and described as follows:

Beginning at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 deg. 37' West 440.00 feet from the intersection of the said southwesterly line of Stacy Lee. Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Let No. 12, of the above mentioned filed map, on the east and the let No. 11 herein described on the west; thence along the last mentioned division line, South 22 deg. 23' West 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Let No. 11 herein described on the north; thence along the last mentioned division line, North 72 deg. 40' West 301.17 feet to a point on the division line between Let No. 10, of the above mentioned filed map, on the west and Let No. 11 herein described on the east; thence along the last mentioned division line, North 22 deg. 23' East 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive; thence along the last mentioned line South 67 deg. 37' East 300.00 feet to the point or place of beginning.

Together with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the aforementioned Map No. 7681 as well as the right to place utilities under said private road.

thouse

# DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

#### Lend Warning Statement

livery purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller'	's Dis	closure (initial)
1.40	(a) [ ]	Presence of lead-based paint and/or lead-based paint hazards (check one below):  Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
N /6'6 1 / Mark)	(b) [ ]	Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing. Records and reports available to the seller (check one below): Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
	[]	Soller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the
	ser's (c) (d) (e) [ ]	Acknowledgment (initial)  Purchaser has received copies of all information listed above.  Purchaser has received the pamphlet Protect Your Family from Lead in Your Home.  Purchaser has (check one below):  Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.
Agent's	(f)	owledgment (initial)  Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.
The follo	ation (	parties have reviewed the information above and certify, to the best of their knowledge, that the bydded by the signatory is true and accurate.  J. Cohen Date Seller Ann Eve Cohen Date
Dent Urchasor	) Darr	Date Agent Date    Date

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## SELLER'S RIDER TO CONTRACT

### RONALD J. COHEN and ANN EVE COHEN TO DARRICK GRIMES and YOLANDA GRIMES

### 1. NOTICE OF OBJECTIONS

Purchaser agrees to notify COHEN, ESTIS & ASSOCIATES, LLP, attorneys for the Seller, in writing, of any objections to title at least twenty (20) days before the date set for closing. In the event that there be any objections to title, the Seller may adjourn the closing of title to afford him reasonable opportunity to dispose of such objections. Seller, however, shall not be required to bring any action or proceeding or incur any expense to render its title marketable, except as hereinafter provided, with respect to disposition or payment of judgment, mechanic liens, mortgages federal and state tax liens and warrants.

### 2. MERGER OF CONTRACT

It is understood and agreed by the parties that the delivery and acceptance of the deed of conveyance at the time of closing of title shall be deemed to constitute full compliance by the Seller of all of the terms, covenants and conditions of this Contract on its part to be performed. It is agreed that none of the terms hereof except those specifically made to survive title closing, shall survive such title closing.

## 3. SELLER'S LIABILITY LIMITED

In the event Seller shall be unable to convey a marketable title to the premises hereinabove described or convey title to the premises in accordance with the terms of this Contract, Purchaser shall at Purchaser's election have the right to accept such title as the Seller is able to convey without claim on the part of the Purchaser for abatement for defects or objections, or Purchaser shall have the right to rescind this Contract, and upon such recision pursuant to this paragraph, the rights of the Purchaser shall be limited to the return of the monies paid upon the signing of this Contract shall be under no obligation or liability whatsoever to the Purchaser for any damages that Purchaser may have sustained by reason of Seller's failure to convey title hereunder. In no event shall Seller be required to incur any expenditures of any sums of money to cure or remove defects, liens or encumbrances or institute any action or proceedings to render title marketable.

#### 4. DEPOSIT FOR LIENS

If the premises be subject to any liens, including transfer, inheritance, estate, franchise, license or other similar tax, the amount of which has not been finally fixed, the same shall not be deemed an objection to title, provided that any title company in good standing to which Purchaser has applied for title insurance will, at the time of the closing of title, issue or bind itself to issue its policy which will insure Purchaser against collection of said liens and taxes from said premises, or if Seller leaves a reasonable deposit with Seller's attorney or with Purchaser's title company to

secure the payment thereof.

#### 5. PURCHASER'S RISKS

Purchaser represents that the Purchaser has inspected the premises hereinabove described and is purchasing said premises in "as is" condition as of this date, reasonable wear and tear excepted. This Contract, as written, contains all the terms of the agreement entered into between the parties, and Purchaser acknowledges that Seller has made no representations, is unwilling to make any representations, and held out no inducements to the Purchaser, other than those herein expressed, and the Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations, or information pertaining to the said premises as to the physical condition, income, expense, operation, or to what use the premises can be applied, including, but not limited to any matter or thing affecting or relating to the said premises, except as herein specifically set forth. The Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth herein.

#### 6. RIGHT OF ASSIGNMENT

The Purchaser shall not assign this agreement without the written consent of the Seller.

#### 7 CONTROLLING PROVISIONS

The provisions of this rider are in addition to the main body of this Contract. In each instance in which a provision of this rider shall contradict or be inconsistent with a provision of the main body of the Contract or any subsequent rider, the provisions contained in this rider shall govern and prevail.

#### 8 ACCEPTANCE OF RIDER

The execution of the printed form by the Seller and the Purchaser of the Contract annexed heroto shall constitute acceptance of the terms of this rider.

### 9. CHANGING OR CANCELING OF CONTRACT

This Contract may not be changed or canceled except in writing. The Contract shall also apply to and bind the distributees, heirs, executors, administrators, successors and assign of the respective parties. Each of the parties hereby authorize their attorneys to agree in writing to any change in dates and time period provided for in this Contract.

The purchaser acknowledges that this agreement was prepared by the attorney for the Seller. To the extent that changes made by the Purchaser or his attorney are not initialed by the Seller, those changes shall not be binding upon the Seller and terms of this agreement as originally prepared in that respect shall be binding upon both parties hereto.

#### 10 CONTRACT TERMINATION

In the event this Contract is terminated by Purchaser, notwithstanding any other provision of this agreement, or law of the State of New York, Purchaser shall deliver to Seller all maps, surveys, site plans, preliminary and final subdivision plans, engineering reports, studies and analyses at no cost to the Seller.

### 11. METES AND BOUNDS DESCRIPTION

If Purchaser orders a survey, Purchaser shall use the firm of Vince Doce, 15 New Road, Newburgh, NY 12550.

In the event Purchaser obtains a survey of the premises and the survey is certified to the Seller, the Seller agrees to include in the deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

#### 12. PURCHASER'S DEFAULT

The parties mutually acknowledge that if the Purchasers should default in closing title or under any other term or condition of this Contract, it may be impossible to determine Seller's actual damages. Accordingly, if the Purchasers shall default, whether such default be willful or otherwise, the Sellers shall have the option to retain any and all funds previously paid by the Purchasers pursuant to this agreement as liquidated damages. In the event Seller clocts to retain the down payment, both parties shall be relieved and released of and from any further liabilities hereunder, and Purchaser expressly releases any lien Purchaser may have against the property. Further, in the event of any default by Purchasers in closing title, the Seller is authorized to place the premises back on the market free and clear of any claim which the Purchaser may have against the premises.

#### 13. WATER SUPPLY

If the water supply serving the premises is derived from a well, Seller represents that the water is potable and of pure quality for domestic purposes, without the need for treatment and Purchaser is given the right to test the water to determine the above. The Purchaser shall have until ten (10) days after receipt of fully executed contracts to obtain the report and notify Seller's attorney of any defects and in the event the Purchaser does not so notify Seller's attorney by that date, performance of the condition shall be deemed waived.

#### 14. TERMITE INSPECTION

The Purchaser may have the premises inspected for termite and/or carpenter ant infestation. In the event such infestation is found, the Seller, at Seller's option, may have same repaired by a licensed exterminator of their choice, or in the alternative, may cancel this Contract and return the down payment hereunder, unless the Purchaser, at Purchaser's option, elects to accept the premises "as is". Purchaser shall have until ten (10) days after receipt of fully executed contract to obtain the report and notify Seller's attorney for any defects and in the event Purchaser does not so notify

Seller's attorney by that date, performance of the condition shall be deemed waived.

#### 15. INSPIRCTIONS

Within ten (10) days Purchaser(s) at his/her/their own cost and expense may cause the premises to be examined by an engineer for structural items, for mold contamination and if such inspection reveals unacceptable conditions then the Purchaser(s) may, at their option, terminate this agreement and receive the return of the downpayment.

#### 16. LEAD PAINT DISCLOSURE

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, a reduced intelligence quotient, behavior problem and impaired memory. Lead Poisoning also posos a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the buyer with any information on lead based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase. Seller knows of no lead based paint hazards and has no reports or records pertaining to lead based paint or bazards in the house, except as may be attached to this Contract. Purchaser has ten (10) days from the signing of this Contract to conduct a risk assessment or inspection for the presence of lead based paint and/or lead based paint hazards.

#### 17. SMOKE ALARM AFFIDAVIT

The Seller(s) herein shall deliver to the Purchasor(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with the Executive Law Section 378(5), and that such dwelling has installed an operable single station smoke detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

#### 18. CARBO MONOXIDE AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with Executive Law Section 378(5)(a), and that such dwelling has installed an operable single station carbon monoxide detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

#### 19. LENDING INSTITUTION IN ANOTHER COUNTY

If the lending institution selected by the Purchasers requires a closing to be held in a county other than the county where the property is located, the Purchasers agree to pay to the Seller at

closing, an additional sum of \$250.00 for travel to adjacent counties. If travel is to New York City or any of the boroughs of New York City, the additional sum is \$400.00; if travel to Westehester County, the additional sum is \$300.00.

### 20. SALE OF HOUSE CONTINGENCY

Purchaser represents that they have a house in Queen County that must be sold prior to their ability to close on this contract. Purchaser represents that they have already or will within ten (10) days of execution of this contact list the house with licensed real estate broker at fair market value. Seller may elect to accept another offer to purchase the premises in the event that Purchaser does not close on their Queens property within ninety(90) days of this contract. Purchaser shall receive ten (10) day written notice from Seller and has the right to close within the 100th day of this contract, otherwise Seller has the right to either (a) terminate Purchasers rights under this contract; or (b) extend the opportunity of Purchaser to proceed to a closing upon such term and conditions as Seller shall require. The purpose of this provision is to prevent an unlimited "lock-in" of the Sales Price and terms of Seller's obligations to hold the Premises out for the benefit of the Purchaser.

#### 21. POSSESSION OF PROPERTY

The conditions of the premises on closing shall be the same as at the time of the contract, reasonable wear and tear excepted. The Seller shall deliver the premises vacant and broom clean, free of all rubbish, garbage, debris and waste. Seller agrees to maintain the property in its present condition, continuing to mow and otherwise care for the lawn and garden beds and to generally maintain the appearance of the premises in accord with the standard of the neighborhood.

#### 22. "SUBJECT TO" CLAUSES

In addition to any other "subject to" clauses contained in the form contract, said premises are sold subject to the following:

- a. Any state of facts an accurate survey would show provided same do not render title unmarketable;
- b. Zoning ordinances, building regulations, covenants, easements, restrictions of record affecting the same premises, provided existing structure does not violate the same;
  - c. Mining and mineral rights of third parties, if any;
- d. Any variance in connection with fence, hedge, and like, surrounding the premises, provided the same does not render title unmarketable;
- e. In the event there exists any additional improvement to the premises, which violate covenants and restrictions, the existence of such violation of the covenants and restrictions shall not be deemed objection to title provided a title company can insure that said additions or improvements may remain in their present location as long as the same shall stand;

- f. Any state of facts a personal inspection of the premises would disclose.
- g. Public utility easements of record, if any.

#### 23. IRS INFORMATION RETURN DESIGNATION

Pursuant to the revised Section 6045 of the Internal Revenue Code, the attorney for the Seller, the attorney for the Purchaser or other closing agent must report the details of the closing of this transaction to the Internal Revenue Service. To enable such party to so report this transaction, the parties hereby certify that the Federal Identification Number/Social Security Number is as follows:

Seller:	Purchaser:
Seller:	Purchaser:

Seller and Purchaser agree to notify the party required to report this transaction to the Internal Revenue Service at the closing, and to sign and date an informational sheet in that regard. It is further agreed that if the lender's attorney does not agree to perform such filing, said filing shall be the responsibility of the Seller's attorney.

#### 24. EXECUTION OF CONTRACT

It is expressly understood and agreed that this Contract offer made by Seller is not a binding Contract, and is subject to Sellers' acceptance and approval, and that this Contract is not an offer to sell, and shall not in any way bind Sellers until such time as the same has been approved and executed by the Sellers and delivered to the Purchaser or Purchaser's attorney. Until this Contract is executed by the Sellers and good checks are received by the Sellers, the Purchaser has no interest in the property or remedy against the Sellers for failure to execute this Contract.

Executed contracts of sale must be returned to the Seller's attorney's office no later than August 1, 2005, or this Contract shall be deemed null and void and the Sellers shall have the right to place their property back on the market.

#### 24. APPORTIONMENTS

Any errors or omissions in computing closing costs or apportionments at closing shall be corrected as soon as reasonably possible. This provision shall survive closing of title.

#### 25. CERTIFIED FUNDS

Notwithstanding the acceptance of any uncertified funds by the Seller in consideration for the delivery of the deed herein, said acceptance shall not constitute a waiver of any right under this Contract or shall be construed as an unconditional delivery of the deed to the Purchaser by the Seller, it being the attention of the parties hereto that the Purchaser shall personally guarantee, as part of Purchaser's consideration hereunder, said uncertified funds and further, it being the intention of the

Document 21-4

of the parties, that the failure of said uncertified funds to be honored upon presentation to an appropriate bank shall constitute a failure of consideration under this Contract and shall require the Purchaser to tender the deed back to the Seller on ten (10) days written notice of that event. This provision shall survive closing of title.

#### 26. STACY LEE DRIVE

Seller has disclosed that Stacy Lee Drive is a private road and is governed by a recorded agreement see Exhibit "A" annexed.

The fee(s) assed by the homeowners association Apple Knoll Estates is \$100.00 per quorter and this shall be apportioned at closing. There is no notice to Seller of any special Assessment. The maintenance fee covers(i) taxes on the private road -all up to date (ii) insurance and (iii) maintenance.

#### 27. PROPERTY DISCLOSURE FORM

Seller has completed and the form is annexed hereto.

#### 28. TITLE COMPANY

Purchaser shall use Feldman-Jacobson Abstract Corp. at 24 Market Street, Poughkeepsie, NY 12601, phone 845 454-1171, fax 845 454-3720 as the title company. Notwithstanding anything herein to the contrary.

## Property Condition Disclosure Statement

Name of Seller or Sellers: Ronald J. Cohen and Ann Eve Cohen

Property Address:

23 Stacy Lee Drive, Newburgh, New York 12550

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

#### Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This disclosure statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of five hundred dollars (\$500.00) against the agreed upon purchase price of the residential real property.

"Residential Real Property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller.

#### Instructions to the Seller:

(a) Answer all questions based upon your actual knowledge.

(b) Attach additional pages with your signature if additional space is required.

(c) Complete this form yourself.

(d) If some items do not apply to your property, check "NA" (Non-Applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement: The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

#### Ger

nerr	d Information
I.	How long have you owned the property? 1987 New at the time
2,	How long have you occupied the property?
3.	How long have you occupied the property?  What is the age of the structure or structures?  1987
	Note to Buyer - If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint.
4.	Does anybody other than yourself have a lease, casement or any other right to use or occupy any part of your property other than those stated in documents available in the public record, such as rights to
	use a road or path or cut trees or emps?
	Yes (No) Unkn NA (If yes, explain below.)
5,	Does anybody else claim to own any part of your property?
	Yes (No) Unkn NA (If yes, explain below.)

6.	Has anyone denied you access to the property or made a formal logal claim challenging your title to
	Has anyone denied you access to the property or made a formal legal claim challenging your title to the property?  Yes To Unkn NA (If yes, explain below.)
7.	
	nomeowners association, such as walls, fences or driveways? Statu Lee Date Patricks Daci
	I Yes / No Unkn NA Of was describe halows
8.	Are there any electric or gas utility surcharges for line extensions, special assessments or homeovers
	OF OTHER ASSOCIATION THE RESIDENCE AND A TRANSPERSE
9.	Are there certificates of occupancy related to the property?  (Yes) No Unkn NA (If no, explain below.)  (Yes) No Unkn NA (If no, explain below.)  Extender.
	(Yes) No Unkn NA (If no explain below) 40 Mple thou
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Note to Seller - In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short- or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and

Note to Buyer - If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of th	e property lo		dosigna	ated floo	odplain?
	Yes	(Po)	Unkn	$N\Lambda$	(If yes, explain below.)
11. Is any or all of th	e property lo	cated in a	designa	ited wet	tland?
	Yes	(9No)	Unkn	NΛ	(If yes, explain below.)
12. Is the property loo	cated in an ag	grigultura			
	Yes	(Ra)	Unkn	NA	(If yes, explain below.)
13. Was the property	ever the site	of a land	H117		() F
	Yes	$(N_0)$	Unka	NA	(If yes, explain below,)
14. Are there or have	there eyer b	ecn fuel s	lorage t	anks ab	ove or below the ground on the property?
	(Yes)	No	Unkn	NA	Ontank
If yes, are they cu	crently in use	e?			
	Yes	No	Unkn	$N\Lambda$	
Location(s)					
Are they leaking of	or bores there		.10		
Are nies remain (	A HAYCHIUY	GACK-1851KU	2017		
. •	Yes	(No)	oay Unkn	NA	(If yes, explain below.)
15. Is there asbestos i	Yes	$(N_0)$		NA	(If yes, explain below.)
. •	Yes	(No)			,
. •	Yes n the structu. Yes	(No)	Unkn	NA NA	(If yes, explain below.) (If yes, state location or locations below.)
15. Is there asbestos i	Yes n the structu. Yes	$(N_0)$	Unkn	NA	(If yes, state location or locations below.)
15. Is there asbestos i	Yes n the structu Yes present? Yes		Unkn Unkn		,
15. Is there asbestos i	Yes n the structu Yes present? Yes	(No)	Unkn Unkn	na na	(If yes, state location or locations below.)  (If yes, state location or locations below.)
<ul><li>15. Is there asbestos i</li><li>16. Is lead plumbing p</li><li>17. Has a radon test b</li></ul>	Yes in the structul Yes present? Yes eeen done? Yes		Unkn Unkn Unkn Unkn	NA NA NA	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)
15. Is there aspestos i  16. Is lead plumbing i  17. Has a radon test b  18. Has motor fuel, m	Yes n the structu. Yes present? Yes ecen done? Yes totor oil, hon	No No No ne realing	Unkn Unkn Unkn Unkn Unkn ; fuel, h	NA NA NA Jbricatir	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  and oil or any other potroleum product.
15. Is there aspestos i  16. Is lead plumbing i  17. Has a radon test b  18. Has motor fuel, m	Yes n the structu. Yes present? Yes peen done? Yes tolor oil, hon ny hazardous	No No ne reating s or toxic	Unkn Unkn Unkn Unkn Guel, lu	NA NA NA ubricationce spill	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  ng oil or any other petroleum product, ed, leaked or otherwise been released on the
<ul> <li>15. Is there aspestos i</li> <li>16. Is lead plumbing i</li> <li>17. Has a radon test b</li> <li>18. Has motor fuel, methane gas, or a</li> </ul>	Yes n the structu. Yes present? Yes peen done? Yes tolor oil, hon ny hazardous	No No ne reating s or toxic	Unkn Unkn Unkn Unkn Guel, lu	NA NA NA ubrications spill- operty?	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  ng oil or any other petroleum product, ed, leaked or otherwise been released on the
<ul> <li>15. Is there aspestos i</li> <li>16. Is lead plumbing i</li> <li>17. Has a radon test b</li> <li>18. Has motor fuel, methane gas, or a</li> </ul>	Yes in the structur Yes present? Yes present done? Yes potor oil, hon iny hazardous the property	No No No ne neating s or toxic onto any	Unkn Unkn Unkn Unkn Unkn stuel, it stubstan	NA NA NA ubrications spill- operty?	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  ng oil or any other petroleum product, ed, leaked or otherwise been released on the

19.	oil or any other netrole	anto pro	or nic pro idiret me	indico o Characteron	I MOTOR S OF ST	y hazardous or toxic substance?
		Yes	No	Unkn	NA NA	(If yes, attach report(s).)
Struct	*					•
20.	. Is there any rot or wate	r dama	ge is ite.		e or stru	ctures?
	_	Yes	(No)	Unka	$N\Lambda$	(If yes, explain below.)
21.	. Is there any fire or smo					
		Yes	(No)	Unkn	ŊΛ	(If yes, explain below.)
22	. Is there any termite, in:		don tok po			
กร	Was the surround have	Yes	(No)	Unkn	NA	(If yes, explain below.)
25	. mas the property been		or termite	e, insect,	TODONE	or pest infestation or damage?
24	. What is the type of roo	Yes froof c	$(N_0)$	Unkn alatu az	IN/A	(If yos, please attach report(s).)
24.	Any known material do	uriouri afactor	overing (	Since, as	bisit' o	mer.)?
	Mily Eddovid material de	Yes	6	Unkn	እፒለ	(If you overthin bully)
	How old is the roof?	. Ñ	7 Y	Othyli	1377	(If yes, explain below.)
	Is there a transferable v			root in	afficet no	רעזר
		Yes	(No)	Unkn		(If yes, explain below.)
25.	Are there any known m		defects in	any of	the follo	owing structural systems: footings, beams,
	girders, lintels, columns	s or pal	rtitlons?			a really becaute, by alotto, rooms, boatte,
		Yes	(No)	Unkn	NΛ	(If yes, explain below.)
	•					,
Mecha	nical Systems & Servic	ès			<u></u>	
26.	What is the water source	ce (Ciro	tic all that	tapply (	well) p	rivate, municipal, other)?
	If municipal, is it much					
	** .* .*	Yes	No	Unkn		
27.	Has the water quality a					
20	What lash down of any	Yes	(No)	Unkn		(If yes, describe below.)
20.	cesspool)?	rage sys	stem (Cir	cio an un	iat appiy	y - public sewer, private sewer, septic or
	If septic or cesspool, ag	3127		Ċ.	4 2	1001
	Date last pumped?	50.			J. L. C.	tha(2) yeun apo
	Frequency of pumping?	>			30.75	or ena(s) yeun apo
	Any known material de		~	w	$\sim$	y eaus ()
		Yes	(No)	Unka	NA.	(If yes, gaplain below.)
29,	Who is your electric se				Pag	aul Widion_
	What is the amperage?	•		Mare 1 1 mms, named		The first of the factor of the
	Does it have circuit bre	akers c	r fuses?	******	401	/ // // // // // // // // // // // // /
	Private or public poles?					
	Any known material de					
	•	Yes	(No)	Unkn		(If yes, explain below.)
30.	Are there any flooding,	draina	se or gra			hat resulted in standing water on any portion
~ :	of the property?	Yes	No	Unkn	NA	(If yes, state locations and explain below.)
. ا د	Does the basement have	е восра	ge Hwi ro	suits in	standing	E water/

(No) Unkn NA (If yes, explain below.)

Are there any known material defects	in any of the following (If yes, explain below. Use additional sheets if	
nocessary,): 32. Plumbing System?		
	Yes (No) Unkn NA	
33. Security System?	Yes No Unkir NA	
34. Carbon Monoxide Detector?	Yes (No.) Unkn NA	
35. Smoke Detector?	Yes (No. Unkn. NA	
36. Fire Sprinkler System?	Yes No Unkn NA	
37, Sump Pump?	No Unkn NA	
38. Foundation/Slab?	Yes (No) Unkn NA	
39, Interior Walls/Ceilings?	Yes (No) Unkn NA	
40. Exterior Walls Or Siding?	Yes (No) Unkn NA	
41. Floors?	Yes (No) Unkn NA Some files coac	leec
42. Chimney/Fireplace or Stove?	Yes No Unkn NA	
43. Patio/Deck?	Yes (No) Unkn NA	
44. Drivoway?	Yes (No) Unkn NA.	
45. Air Conditioner?	Yes (No.) Unkn NA	
46. Heating System?	Yes No Unkn NA	
47. Hot Water Heater?	Yes (No) Unkn NA	
	following School District: Newbyanh Unkn	
•	Gradul Colored	
Note: Buyer is cikrouraged to check pu flood plain imaps.)	ablic records concerning the property (e.g. tax records and wetland and	
true and complete to the seller's actual real property acquires knowledge whic statement provided previously, the selle buyer as soon as practicable. In no eve condition disclosure statement after the buyer, whichever is earlier.	that the information in this property condition disclosure statement is knowledge as of the date signed by the seller. If a seller of residential the renders materially inaccurate a property condition disclosure or shall deliver a revised property condition disclosure statement to the ent, however, shall a seller be required to provide a revised property transfer of title from the seller to the buyer or occupancy by the	
that this information is a statement of a the seller. It is not a warranty of any ki	Date TYPE TO STATE THE PROPERTY OF THE PROPERT	
Buyer's Acknowledgment: Buyer ack that this information is a statement of o the seller. It is not a warranty of any ki pest, radon or other inspections of testi	crowledges receipt of a copy of this statement and buyer understands certain conditions and information concerning the property known to ind by the seller or seller's agent and is not a substitute for any home, and of the property or inspection of the public records.	

## ADDITIONAL RIDER TO CONTRACT OF SALE 23 Stacy Lee Drive Newburgh, NY

- 1.The terms of this Additional Rider shall provail over the terms of the printed form and any other Rider to the Contract to which this Additional Rider is attached.
- 2. Seller makes the following additional representations and covenants:
  - (a) The underground oil tank has never leaked or been damaged.
  - (b) All work and alterations to the Premises have been performed in accordance with applicable law,
  - (c)Seller shall maintain the Premises, including landscaping in its present condition (reasonable wear and tear excepted) until closing,
  - (d) Seller is not in violation of any of the Restrictive Covenants set forth in the deed in which the premises were conveyed to Seller, and
  - (e)At closing, (i)the roof and basement shall be free of leaks and water seepage, and (ii) all pool equipment shall be working and included in this sale.
- 3. This Agreement may be executed in counterparts, and the delivery of facsimile copies of the fully executed agreement shall constitute a binding agreement provided that the Downpayment is delivered to Escrow Agent, and that original executed copies are delivered promptly after the delivery of a facsimile copy.
- 4. If due to Purchaser's inability to close, the closing does not occur by September 15, 2005 then the Seller shall have the pool closed for the season and Purchaser shall reimburse Seller the sum of \$500 at closing.
- 5. Paragraph 20 of the Rider is modified and supplemented to provide that in the event that Purchaser is unable to close title due to the mability to close title on the sale of their present residence within 90 days following the date a fully executed copy of this Contract is delivered to Purchaser attorney, then Seller by notice to Purchaser delivered within 10 days following the expiration of such 90 day period, may elect to either (x) terminate this Contract, in which case Seller shall cause the Downpayment to be refunded to Purchaser and neither party shall have any further obligations to the other party, or (b) extend the contract under the same terms and conditions for an additional thirty (30) days. The Contract shall automatically terminate at the expiration of such additional 30 day period if the closing has not occurred and the Downpayment shall be refunded to Purchaser, If Seller delivers a notice of termination, Purchaser shall have the right by notice to Seller deliveagred within five (5) days following the receipt of the termination to elect to close notwithstanding that Purchaser has not closed on the sale of their present residence, and in which case the parties shall proceed to closing on a date no later than 15 days later then

- 6. Modifying Paragraph 2 of the First Rider, (a) delivery of the title report shall constitute notice of objections, and (b) notwithstanding the provisions of this paragraph, Seller shall cause any mortgages executed by Seller to be discharged at the closing.
- 7. Modifying paragraphs 3 and 5 of the Rider, nothing contained therein shall diminish Seller's obligations under Paragraph 16 of the Printed Form of this Contract.
- 8. Paragraph 11 of the Rider is deleted. If Seller is in possession of a survey, Seller shall deliver same to Purchaser simultaneously with the delivery of fully executed copies of the Contract of Sale. Otherwise Purchaser may order a survey from any licensed surveyor and Seller agrees to attach a metes and bounds description as an exhibit to the deed unless Seller demonstrates error in such description.
- 9. Paragraph 28 of the Rider is deleted in its entirety.
- 10. Modifying Paragraph 15 of the first Rider, Purchaser within 15 days of the date its attorney receives a fully executed copy of the Contract, may cause the underground fuel tank and to be inspected for tightness. If the inspection reveals leakage or contamination, Seller shall remediate same prior to closing.

IN WITNESS WHEREOF, the parties have executed the within instrument as of L day of July, 2005

# Exhibit C - Part 1

## RESIDENTIAL CONTRACT OF SALE

Jointly Frapared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association, (11/00)

## CONSULT YOUR LAWYER BEFORE SIGNING THIS CONTRACT.

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION. This contract form does not provide for what happens in the event of fire, or other casualty loss-or condemnation before the title closing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title closing.

WARNING: PLAIN LANGUAGE. No representation is made that this form of contract for the sale and purchase of real estate complies with Scotion 5-702 of the General-Obligations Law ("Plain Language").

CONTRACT OF SALE made as of

between

Rouald J. Cohen and Ann Eve Cohen, husband and wife Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Social Security Number/Ped. I. D. No(s):

hereinafter called "Soller" and

Darrick Grimes and Yolanda Grimes, husband and wife Address: 188-19 104th Avenue, St. Albans, New York 11412

Social Security Number/Fed. I. D. Ng(s):

hereinafter called "Purchaser."

The partles hereby agree as follows:

1. Premises. Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A," annexed hereto and made a part hereof and also known as:

Street Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Tax Map Designation: Section 106, Block 2, Lot(s) 4.2, Town of Newburgh, Orange County
Together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, or pened or proposed, adjoining the Premises to the center line thereof, including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

2. Personal Property, This sale also includes all vixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatments; shades, screens, swnings, storm windows, storm doors, window boxes, mail box, TV serials, weather vane, flagpole, pumps, shrubbery, fencing, outdoor statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built in microwave oven, refrigerator, freezer, all conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below. (strike van incapplicable froms):

central vacum, celling fan, cook top compactor, garage door opener, microwave wall oven, 2 sheds, pool heating, pool filter, pool cover.

Restuded from this cale are furniture and household furnishings and

\* and Stacy Lee Drive private road and interest therein

NYSBA's Rosidontial Roal Estate Forms (11/00)

© 2004 Matthew Bender & Co., a member of the LexisNexis Group.

<ol> <li>Purchase Price. The purchas payable as follows:</li> </ol>	e brice is		\$	435,000.00
	news of the Discolusions and a	hade marchle to the Commune (	no barata atau da	Email nuhimate
(a) on the signing of this co	nurect, by Purchaser's good of	neck payable to the Escrowee (	as nereinalier de	mused) anolest re
collection, the receipt of which is h	ereph apktrowted Red' to be un	eig in escrow butshaut to baras	nabu o oi mis co	
"Downpayment"):		1.1	\$	20,000.00
(o) oy cilowance for the prin	ioipal aniount unpaid on the	existing mortgage on the date i	h <del>ercof, payment</del>	of which Purchaser
shell assume by joinder in the dead	7		\$	
( <del>0) - by a purchase money no</del>	to and mortgage from Purche	eex to Saller:	\$	
(d) balance at Closing in ac	cordance with paragraph 7:		\$	415,000.00
a 'A			Ì	
4 Existing Mortgage (Delete i	finapplicable) If this sale is	subject to an existing mortgage	as indicated in	paragraph 3(b) above:
(a) The Premiser shall be co	property to the continu	alny lien of the existing more	n <del>i. Which is pr</del> e	sently payable, with
interest at the sate of	patcent per sanum in mon	thly installments of \$		rich include principal,
interest and excrow amounts, if any	and with any halance of pri	incipal being due and payable o	<u> </u>	<u>.</u>
(h) To the extent that any re-	quired nayments are made of	n'the existing mortgage between	n the date hereo	fand Closing which
reduce the unpaid principal amoun	thereof below the amount of	houm in narrowsh 3/h) then the	he halance of the	nrina massahle at-
Closing under paragraph 3(d) shall amount shown in paragraph 3(b) to	he increased by the amount	of the navments of principal S	Aller represents	and warrants that the
amount shown in paragraph 3(b) to	substantially correct and agr	tes that only payments require	by the existing	mortgage will be
TRADE DECISION THE CASE HEREOF 2110	liceing	1	:	
(c) If there is a mortgagae e	scrow account, Saller shall su	Fign it to Purchaser, if it can b	accioned and	in that roce Durchser
anall pay the amount in the escroty	account to Saller at Closing	<u>.</u>	Í	
- (d) Seller thall deliver to Pu	rehasor at Closing a certifica	te dated not more than 30 days	before Closing	dened by the holder
of the existing mortgage, in form for	or recording, certificing the or	nount of the unneid principal	the date to which	n interest hos heen
paid and the amounts, if any, claim	ed to be unpaid for principal	and interest Itemizing the can	a Saller shall a	ouths feet for "
recording such certificate If the ho	der of the existing mottones	it a hank or other inctination of	HARRIGA IN COM	tion 071 a afth 17 abl
Property Law it may, instead of the	cerificate, furnish a letter si	ared by a duly sutherized offic	er employing or	enent detail not more
THE ST. USIN DEIDIS 1. JOSEPH COURSE	ning the same information		1	•
(e) Seller tepresents and war	rants that (i) Seller has della	i Pered to Purchaser true and con	inlete contes of	the existing mortgage
THE NOIS ISSUED INCENTIONAL OR LAND	IBDDIONS SOA INAMIMENTALE (	Horant /(1) tha anieth a waamtam.	A	. d' . a .d
250 m t 1975			<u> </u>	**************************************
<del></del>	this the existing morrage at	<u>ost nat contsin enu nemricina fi</u>	int norm to the b	inlider of the mortenes.
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to require its immediate payment in	-full or to change any other t	ern thereof by reason of the ea	int permits the l	older of the mortgage of the Premises
to require its immediate payment in  5. Purchase Money Mortgage	-full or to change any other t	ern thereof by reason of the ea	int permits the l	older of the mortgage of the Premises
to require its immediate payment in  5. Purchase Money Mortgage  3(c) nbove	till or to change any other in the large of the large and the large and the large of the large o	Mt not contain any provision the cate thereof by reason of the cate is to be a purchase money of the cate is	int permits the last or conveyance or convey	older of the mortgage of the Premises cated in paragraph
to require its immediate payment in  5. Purchase Money Mortgage  3(c) nbove:  (a) The purchase money not	till or to change any other in the dead mortgage of the state of the s	erm thereof by reason of the call erm thereof by reason of the call ere is to be a purchase money n	or conveyance	older of the mortgage
to require its immediate payment in  5. Purchase Money Morigage  3(c) above:  (a) The purchase money not standard form adopted by the New Standard form adopted by the Standard form adopted by the New Standard form adopted by the New Standard form adopted by the Standard form adopted by the New Standard for the New Standard form adopted by the New Standard for the New Standard fo	full or to change any other in the dead mortgage of the following the first of the dead mortgage shall be draw fork State Land Title Associations	orn thereof by reason of the callet the callet to be a purchase money of the state	int permits the least or conveyance cortigage as indi-	older of the mortgage
to require its immediate payment in  5. Purchase Money Mortgage  3(c) above:  (a) The purchase money note  standard form adopted by the New recording fees and the attorney's fee	full or to change any other in the large of the large any other in the large shall be draw york. State I and Title Associate the same and the large of the large	or not contain any provision the can thereof by reason of the can be a purchase money on by the attorney for Seller in auton. Purchase shall pay at Can be proposed to the pro	int permits the less of conveyance cortigage as indi- the form attached cosing the morty	colder of the mortgage of the Premises cated in paragraph d or, If not, in the usge recording tax,
to require its immediate payment in  5. Eurchase Money Morigage  3(c) above:  (a) The purchase money notestandard form adopted by the New recording fees and the attorney's fee (b). The purchase money notes	fill, its existing mortgage of full or to change any other if (Defete if Inopplicable) If the and mortgage shall be draw York State I and Title Associated the amount of \$ 100 than mortgage shall also proceed that the amount of \$ 100 than mortgage shall also proceed the and mortgage shall also proceed that the amount of \$ 100 than mortgage shall also proceed that the amount of \$ 100 than mortgage and the amoun	or not contain any provision the car thereof by reason of the car is to be a purchase money not by the attorney for Seller Inc.  anion Purchaser shall pay at C.  for its preparation wide that it is subject and subject.	int permits the life or conveyance cortigage as indicate the morte coing the morte coing to the life c	colder of the mortgage of the Premises cated in paragraph d or, If not, in the usge recording tax,
to require its immediate payment in  5. Purchase Money Morigage  3(c) above:  (a) The purchase money notestandard form adopted by the New recording fees and the attorney's fee (b). The purchase money notestandard any extensions, modifications, mo	fill, its existing mortgage of full or to change any other if (Delete if Inopplicable) If the and mortgage shall be draw York State I and Title Associated the amount of \$ 100 than mortgage shall also profications, replacements or conficulations, replacements or conficulations.	continuous any provision the care thereof by reason of the care is to be a purchase money on by the attorney for Seller in attorney for Seller in for the preparation wide that it is subject and subject that it is subject to the adventure money that it is subject to the adventure of the subject to the content of the subject to the content of the content of the content of the content of the care in the content of t	int permits the li- le or conveyance cortigage as indi- the firm attache cosing the morta- triange provides	colder of the mortgage of the Premises cated in paragraph d or, If not, in the (age recording tax)
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objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or if for any other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until otherwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

(b) The parties acknowledge that, Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disrogard of this contract or involving gross negligence on the part of Escrowee. Seller and Purchaser jointly and severally (with right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.

(c) Escrowes may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting upon the advice of such counsel.

(d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.

(e) Escrowee or any member of its firm shall be permitted to act as counsel for Selier in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.

(f) The party whose attorney is Escrowes shall be liable for loss of the Downpayment.

7. Acceptable Funds. All money payable under this contract, unless otherwise specified, shall be paid by:

(a) Cash, but not over \$1,000.00;

(b) Good certified check of Purchaser drawn on or official check issued by the bank, savings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;

(c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of and

(d) As otherwise agreed to in writing by Seller or Seller's attorney.

8. Mortgage Commitment Contingency. (Delete paragraph if inapplicable, For explanation, see Notes on Mortgage Commitment Contingency Clause)

(a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(j) (the "Commitment Dato"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, PHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of \$ 391,500.00 for a term of at least 30 years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other oustomary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(e) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender falls or refuses to fund the loan for any reason.

(b) Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.

(c) (Delete this subparagraph of the police blow Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the

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terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such

(d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has compiled with all its obligations under this paragraph 8.

(e) If no Commitment is issued by the Institutional Londor on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied

(f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly

refunded to Purchaser and except as set forth in paragraph 27.

(g) If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.

(h) If Seller has not received a copy of a commitment from an Institutional Lander accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) and except as set forth in paragraph 27.

(i) For purposes of this contract, the term "Institutional Lander" shall mean any bank, sayings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

(j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.

Permitted Exceptions. The Premises are sold and shall be conveyed subject to:

(a) Zoning and subdivision laws and regulations, and landmark, historic or wellands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;

(b) Consents for the erection of any structures on, under or above any streets on which the Premises abut; (c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;

(d) Real estate taxes that are a lion, but are not yet due and payable; and

(c) The other matters, if any, including a survey exception, set forth in a Rider attached.

10. Governmental Violations and Orders. (a) Seller shall comply with all notes or notices of violations of law or municipal. ordinances, orders or requirements noted or issued as of the date hereof by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing, Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose

(b) (Delete if inapplicable) All obligations affecting the Premises pursuant to the Administrative Code of the City of New York incurred prior to Closing and payable in money shall be discharged by Seller at or prior to Closing

11. Seller's Representations. (a) Seller represents and warrants to Purchaser that:

(I) The Premises abut or have a right of access to a public road;

(ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;

(III) Seller is not a "foreign person," as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");

(iv) The Premises are not affected by any exemptions or abatements of taxes; and

(v) Seller has been known by notother name for the past ton years, except

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- (b) Seller covenants and warrants that all of the representations and warrantles set forth in this contract shall be true and correct at Closing.
- (c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.
- 12. Condition of Property. Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of closing (except to otherwise set forth in paragraph 16(e)); without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.
- 13. Insurable Title. Seller shall give and Purchaser shall accept such title as any reputable title insurance or abstract company licensed to do business in the state of New York shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract,
- 14. Closing, Deed and Title. (2) "C osing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Soller, and the delivery to Purchaser of a bargain and sale with covenant deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law.
- (b)—If Soller is a corporation, it shall deliver to Purchases at the time of Closing (l) a recolution of its Board of Directors authorizing the sale and delivery of the deed, and (ii) a certificate by the Secretary of Assistant Secretary of the corporation certificing such resolution and setting forth facts howing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such cabe shall contain a realted sufficient to establish compliance with that Section,
- 15. Closing Date and Place. Closing shall take place at the office of Seller's attorney
- at. 10AM o'clock on or about September 15, 2005 or, upon reasonable hotice (by telephone or otherwise) by Purchaser, at the office of lender's attorney
- 16. Conditions to Closing. This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:
- (a) The accuracy, as of the date of Closing, of the representations and warrantles of Setler made in this contract. (b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a single family dwelling at the date of Closing.
- (o) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign person, which certificate shall be in the form then required by PIRPTA, or a withholding certificate from the I.R.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under FIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required forms to the Internal Revenue Service.
- (d) The delivery of the Premises and all buildings(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenencies, the ether with keys to the Premises.
- (e) All plumbing (including water supply and septic systems, if any); heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the buildings(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.
- (f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.

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- (2) The delivery by the parties of any other affidavits required as a condition of recording the deed.
- 17. Deed Transfer and Recording Taxes. At Closing, certified or official bank checks payable to the order of the appropriate

State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

18. Apportionments and Other Adjustments; Water Meter and Installment Assessments. (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing:

(i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transferable incurance policies and renewals of those expiring prior to Cloting; (v) want charges; (vi) rents as and when collected. (iii) Apple Knoll Estates \$100 per quarter maintenence fee

(b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.

(c) If there is a water motor on the Prantices, Seller shell Sanish a reading to a date not more than 30 days before Closing and the unfixed motor charge and some rent, if any, shall be appointed on the basis of such last leading.

(d) If at the date of Closing the premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.

(c) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following. Closing. This subparagraph shall survive Closing.

19. Allowance for Unpaid Taxes, etc. Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefor computed to said date are produced at Closing.

20. Use of Purchase Price to Remove Encumbrances. If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient moneys with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises and will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.

21. Title Examination; Seller's Inability to Convey; Limitations of Liability. (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract of, if this contract is subject to the mortgage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.

(b)(1) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title herounder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove; remedy or comply with period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing

(c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless

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cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaset for the not cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid or incurred by Purchaser, for updating the existing survey of the Premises or of a new survey, and (ii) the obligations under paragraph 27 shall survive the termination of this contract.

- 22. Affidavit as to Judgments, Bankruptcies, etc. If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.
- 23. Defaults and Remedies. (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.
- (b) If Seller defaults herounder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.
- 24. Purchaser's Lien. All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this centract.
- 25. Notices. Any notice or other communication ("Notice") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by registered or certified mail,
- (b) delivered in person or by overnight courier, with receipf acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any notice to Escrowee shall be deemed delivered, or
- (c) with respect to \$7(b) or \$20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries. This contract may be delivered as provided above or by ordinary mail.
- 26. No Assignment. This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.
- 27. Broker, Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Easy Lifestyle Real Estate (selling broker) and Century 21 Anarumo-ZOAR Realty ("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker, Seller and Purchaser shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or if Closing does not occur, the termination of this contract.
- 28. Miscellaneous (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.
- (b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time parlods provided for in this contract.
- (c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.
- (d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.
  - (e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

(f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.

(g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.

(h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in or be enforceable by, any other person or entity.

(i) If applicable, the complete and fully executed disclosure of information on lead-based paint and/or lead-based paint and/or lead-based paint

THY WITHESS WHEREOF, this con	itract has been duly execu	iton by the parties hereto
Molo Coller Ronald J. Cohen, Seller		Damily Gring
•	•	Darrick Grimes, Purchaser
105-07-0315	· •	133-84-3057
Social Security No./Fed. I.D. No.		Social Security No./Fell L.D. No.
Ann Eye Cohen, Seller		Yolanda Junes Yolanda Grimes, Purchaser
1A1-58-0301	:	111-56-6446
Social Security No./Fed. I.D. No.	:	Social Security No./Fed. I.D. No.
Attorney for Seller:	: 4	ttorney for Purchaser: Mark Marmer, Esq.
Coben, Estis & Associates,	LLP	Debevoise & Plimpton LLC
Address: 40 Matthews Street	į.	Address: 919 3rd Avenue
Goshen, New York 10924	* '	New York, New York 10022
Tol.: (845) 291-1900 Fax: (84	5) 291-0861 T	cl.: (212) 909-7211 Fax: (212) 909-6386
Receipt of the Downpayment is acknow	viedged and the undersig	ned agrees to act in accordance with the provisions of paragraph

Cohen, Estis & Associates, LLP

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Case 1:08-cv-01024-JGK

Document 21-5

File 66/16/2008 No Page 10 of 25

Underwriter No. 8711048097 Title Number 0211040653 Schedule A Description

Page '

ALL that certain plot, piece or parcel of land situate lying and being in the Town of Newburgh, County of Orange and State of New York, being designated as Lot No. 11 on a map entitled "Subdivision Plan Lands of Parcel Development Corp.", dated May 20, 1986, filed in the Orange County Clerk's Office on June 23, 1986 as Map No. 7681, being mare particularly bounded and described as follows:

Beginning at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 deg. 37' West 440.00 feet from the intersection of the said southwesterly line of Stacy Lee. Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot No. 12, of the above mentioned filed map, on the east and the lot No. 11 herein described on the west; thence along the last mentioned division line, South 22 deg. 23' West 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot No. 11 herein described on the north; thence along the last mentioned division line, North 72 deg. 40' West 301:17 feet to a point on the division line between Lot No. 10, of the above mentioned filed map, on the west and Lot No. 11 herein described on the east; thence along the last mentioned division line, North 22 deg. 23' East 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive; thence along the last mentioned line South 67 deg. 37' East 300.00 feet to the point or place of beginning.

Together with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the aforementioned Map No. 7681 as well as the right to place utilities under said private road.

insure

## DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)  (a) Presence of lead-based paint and/or lead-ba	
[ ] Known lead-based paint and/or lead-	ead-based paint hazards (check one below); based paint hazards are present in the housing (explain).
Seller has provided the purchaser with	d paint and/or lead-based paint hazards in the housing, seller (check one below): h all available records and reports pertaining to lead-based in the housing (list documents below).
[ ] Seller has no reports or records pertail housing.	ining to lead-based paint and/or lead-based paint hazards in th
[ ] Received a 10-day opportunity (or mui inspection for the presence of lend-has	rotect Your Family from Lead in Your Home.  tually agreed upon period) to conduct a risk assessment or ed paint and/or lead-based paint hazards; or isk assessment or increasing for the period.
gent's Acknowledgment (initial)	ller's obligations under 40 M S.C. Aprox D
ertification of Accuracy	boy's and seriffy to the heat of the
Date  Council Dunes  The Council Date  The Counc	Agent Date  Date  Date  Purcheser Yolanda Grimes  Date
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## SELLER'S RIDER TO CONTRACT

## RONALD J. COHEN and ANN EVE COHEN TO DARRICK GRIMES and YOLANDA GRIMES

## 1. NOTICE OF OBJECTIONS

Purchaser agrees to notify COHEN, ESTIS & ASSOCIATES, LLP, attorneys for the Seller, in writing, of any objections to title at least twenty (20) days before the date set for closing. In the event that there be any objections to title, the Seller may adjourn the closing of title to afford him reasonable opportunity to dispose of such objections. Seller, however, shall not be required to bring any action or proceeding or incur any expense to render its title marketable, except as hereinafter provided, with respect to disposition or payment of judgment, mechanic liens, mortgages federal and state tax liens and warrants.

## 2. MERGER OF CONTRACT

It is understood and agreed by the parties that the delivery and acceptance of the deed of conveyance at the time of closing of title shall be deemed to constitute full compliance by the Seller of all of the terms, covenants and conditions of this Contract on its part to be performed. It is agreed that none of the terms hereof except those specifically made to survive title closing, shall survive such title closing.

## 3. SELLER'S LIABILITY LIMITED

In the event Seller shall be unable to convey a marketable title to the premises hereinabove described or convey title to the premises in accordance with the terms of this Contract, Purchaser shall at Purchaser's election have the right to accept such title as the Seller is able to convey without claim on the part of the Purchaser for abatement for defects or objections, or Purchaser shall have the right to rescind this Contract, and upon such recision pursuant to this paragraph, the rights of the Purchaser shall be limited to the return of the monies paid upon the signing of this Contract shall be under no obligation or liability whatsoever to the Purchaser for any damages that Purchaser may have sustained by reason of Seller's failure to convey title hereunder. In no event shall Seller be required to incur any expenditures of any sums of money to cure or remove defects, liens or encumbrances or institute any action or proceedings to render title marketable:

## 4. DEPOSIT FOR LIENS

If the premises be subject to any liens, including transfer, inheritance, estate, franchise, license or other similar tax, the amount of which has not been finally fixed, the same shall not be deemed an objection to title, provided that any title company in good standing to which Purchaser has applied for title insurance will, at the time of the closing of title, issue or bind itself to issue its policy which will insure Purchaser against collection of said liens and taxes from said premises, or if Seller leaves a reasonable deposit with Seller's attorney or with Purchaser's title company to

secure the payment thereof.

### 5. PURCHASER'S RISKS

Purchaser represents that the Purchaser has inspected the premises hereinabove described and is purchasing said premises in "as is" condition as of this date, reasonable wear and tear excepted. This Contract, as written, contains all the terms of the agreement entered into between the parties, and Purchaser acknowledges that Seller has made no representations, is unwilling to make any representations, and held out no inducements to the Purchaser, other than those herein expressed, and the Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations, or information pertaining to the said premises as to the physical condition, income, expense, operation, or to what use the premises can be applied, including, but not limited to any matter or thing affecting or relating to the said premises, except as herein specifically set forth. The Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth herein.

#### 6. RIGHT OF ASSIGNMENT

The Purchaser shall not assign this agreement without the written consent of the Seller.

## 7 CONTROLLING PROVISIONS

The provisions of this rider are in addition to the main body of this Contract. In each instance in which a provision of this rider shall contradict or be inconsistent with a provision of the main-body of the Contract or any subsequent rider, the provisions contained in this rider shall govern and prevail.

#### 8 ACCEPTANCE OF RIDER

The execution of the printed form by the Seller and the Purchaser of the Contract annexed hereto shall constitute acceptance of the terms of this rider.

## 9. CHANGING OR CANCELING OF CONTRACT

This Contract may not be changed or canceled except in writing. The Contract shall also apply to and bind the distributees, heirs, executors, administrators, successors and assign of the respective parties. Each of the parties hereby authorize their attorneys to agree in writing to any change in dates and time period provided for in this Contract.

The purchaser acknowledges that this agreement was prepared by the attorney for the Seller. To the extent that changes made by the Purchaser or his attorney are not initialed by the Seller, those changes shall not be binding upon the Seller and terms of this agreement as originally prepared in that respect shall be binding upon both parties hereto.

In the event this Contract is terminated by Purchaser, notwithstanding any other provision of this agreement, or law of the State of New York, Purchaser shall deliver to Seller all maps, surveys, site plans, preliminary and final subdivision plans, engineering reports, studies and analyses at no cost to the Seller.

## 11. METES AND BOUNDS DESCRIPTION

If Purchaser orders a survey, Purchaser shall use the firm of Vince Doce, 15 New Road, Newburgh, NY 12550.

In the event Purchaser obtains a survey of the premises and the survey is certified to the Seller, the Seller agrees to include in the deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

### 12. PURCHASER'S DEFAULT

The parties mutually acknowledge that if the Purchasers should default in closing title or under any other term or condition of this Contract, it may be impossible to determine Seller's actual damages. Accordingly, if the Purchasers shall default, whether such default be willful or otherwise, the Sellers shall have the option to retain any and all funds previously paid by the Purchasers pursuant to this agreement as liquidated damages. In the event Seller elects to retain the down payment, both parties shall be relieved and released of and from any further liabilities hereunder, and Purchaser expressly releases any lien Purchaser may have against the property. Further, in the event of any default by Purchasers in closing title, the Seller is authorized to place the premises back on the market free and clear of any claim which the Purchaser may have against the premises.

#### 13. WATER SUPPLY

If the water supply serving the premises is derived from a well, Seller represents that the water is potable and of pure quality for domestic purposes, without the need for treatment and Purchaser is given the right to test the water to determine the above. The Purchaser shall have until ten (10) days after receipt of fully executed contracts to obtain the report and notify Seller's attorney of any defects and in the event the Purchaser does not so notify Seller's attorney by that date, performance of the condition shall be deemed waived.

## 14. TERMITE INSPECTION

The Purchaser may have the premises inspected for termite and/or carpenter ant infestation. In the event such infestation is found, the Seller, at Seller's option, may have same repaired by a licensed exterminator of their choice, or in the alternative, may cancel this Contract and return the down payment hereunder, unless the Purchaser; at Purchaser's option, elects to accept the premises "as is". Purchaser shall have until ten (10) days after receipt of fully executed contract to obtain the report and notify Seller's attorney for any defects and in the event Purchaser does not so notify

Seller's attorney by that date, performance of the condition shall be deemed waived.

#### 15. INSPECTIONS

Within ten (10) days Purchaser(s) at his/her/their own cost and expense may cause the premises to be examined by an engineer for structural items, for mold contamination and if such inspection reveals unacceptable conditions then the Purchaser(s) may, at their option, terminate this agreement and receive the return of the downpayment.

#### 16. LEAD PAINT DISCLOSURE

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, a reduced intelligence quotient, behavior problem and impaired memory. Lead Poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the buyer with any information on lead based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase. Seller knows of no lead based paint hazards and has no reports or records pertaining to lead based paint or hazards in the house, except as may be attached to this Contract. Purchaser has ten (10) days from the signing of this Contract to conduct a risk assessment or inspection for the presence of lead based paint and/or lead based paint hazards.

#### 17. SMOKE ALARM AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with the Executive Law Section 378(5), and that such dwelling has installed an operable single station smoke detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

## 18. CARBO MONOXIDE AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with Executive Law Section 378(5)(a), and that such dwelling has installed an operable single station carbon monoxide detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

#### LENDING INSTITUTION IN ANOTHER COUNTY 19.

If the lending institution selected by the Purchasers requires a closing to be held in a county other than the county where the property is located, the Purchasers agree to pay to the Seller at closing, an additional sum of \$250.00 for travel to adjacent counties. If travel is to New York City or any of the boroughs of New York City, the additional sum is \$400.00; if travel to Westchester County, the additional sum is \$300.00.

#### 20. SALE OF HOUSE CONTINGENCY

Purchaser represents that they have a house in Queen County that must be sold prior to their ability to close on this contract. Purchaser represents that they have already or will within ten (10) days of execution of this contact list the house with licensed real estate broker at fair market value. Seller may elect to accept another offer to purchase the premises in the event that Purchaser does not close on their Queens property within ninety(90) days of this contract. Purchaser shall receive ten (10) day written notice from Seller and has the right to close within the 100th day of this contract, otherwise Seller has the right to either (a) terminate Purchasers rights under this contract; or (b) extend the opportunity of Purchaser to proceed to a closing upon such term and conditions as Seller shall require. The purpose of this provision is to prevent an unlimited "lock-in" of the Sales Price and terms of Seller's obligations to hold the Premises out for the benefit of the Purchaser.

#### 21. POSSESSION OF PROPERTY

The conditions of the premises on closing shall be the same as at the time of the contract, reasonable wear and tear excepted. The Seller shall deliver the premises vacant and broom clean, free of all rubbish, garbage, debris and waste. Seller agrees to maintain the property in its present condition, continuing to mow and otherwise care for the lawn and garden beds and to generally maintain the appearance of the premises in accord with the standard of the neighborhood.

#### 22. "SUBJECT TO" CLAUSES

In addition to any other "subject to" clauses contained in the form contract, said premises are sold subject to the following:

- a. Any state of facts an accurate survey would show provided same do not render title unmarketable;
- b. Zoning ordinances, building regulations, covenants, easements, restrictions of record affecting the same premises, provided existing structure does not violate the same;
  - c. Mining and mineral rights of third parties, if any;
- d. Any variance in connection with fence, hedge, and like, surrounding the premises, provided the same does not render title unmarketable;
- e. In the event there exists any additional improvement to the premises, which violate covenants and restrictions, the existence of such violation of the covenants and restrictions shall not be deemed objection to title provided a title company can insure that said additions or improvements may remain in their present location as long as the same shall stand;

g. Public utility easements of record, if any.

#### 23. IRS INFORMATION RETURN DESIGNATION

Pursuant to the revised Section 6045 of the Internal Revenue Code, the attorney for the Seller, the attorney for the Purchaser or other closing agent must report the details of the closing of this transaction to the Internal Revenue Service. To enable such party to so report this transaction, the parties hereby certify that the Federal Identification Number/ Social Security Number is as follows:

Seller: Gon Colu

Sales Colin

Purchager

Purchaser: Volanda La

Seller and Purchaser agree to notify the party required to report this transaction to the Internal Revenue Service at the closing, and to sign and date an informational sheet in that regard. It is further agreed that if the lender's attorney does not agree to perform such filing, said filing shall be the responsibility of the Seller's attorney.

#### 24. EXECUTION OF CONTRACT

It is expressly understood and agreed that this Contract offer made by Seller is not a binding Contract, and is subject to Sellers' acceptance and approval, and that this Contract is not an offer to sell, and shall not in any way bind Sellers until such time as the same has been approved and executed by the Sellers and delivered to the Purchaser or Purchaser's attorney. Until this Contract is executed by the Sellers and good checks are received by the Sellers, the Purchaser has no interest in the property or remedy against the Sellers for failure to execute this Contract.

Executed contracts of sale must be returned to the Seller's attorney's office no later than August 1, 2005, or this Contract shall be deemed null and void and the Sellers shall have the right to place their property back on the market.

#### 24. APPORTIONMENTS

Any errors or omissions in computing closing costs or apportionments at closing shall be corrected as soon as reasonably possible. This provision shall survive closing of title.

#### 25. CERTIFIED FUNDS

Notwithstanding the acceptance of any uncertified funds by the Seller in consideration for the delivery of the deed herein, said acceptance shall not constitute a waiver of any right under this Contract or shall be construed as an unconditional delivery of the deed to the Purchaser by the Seller, it being the attention of the parties hereto that the Purchaser shall personally guarantee, as part of Purchaser's consideration hereunder, said uncertified funds and further, it being the intention of the

of the parties, that the failure of said uncertified funds to be honored upon presentation to an appropriate bank shall constitute a failure of consideration under this Contract and shall require the Purchaser to tender the deed back to the Seller on ten (10) days written notice of that event. This provision shall survive closing of title.

#### 26. STACY LEE DRIVE

Seller has disclosed that Stacy Lee Drive is a private road and is governed by a recorded agreement see Exhibit "A" annexed.

The fee(s) assed by the homeowners association Apple Knoll Estates is \$100.00 per quorter and this shall be apportioned at closing. There is no notice to Seller of any special Assessment. The maintenance fee covers(i) taxes on the private road - all up to date (ii) insurance and (iii) maintenance.

#### 27. PROPERTY DISCLOSURE FORM

Seller has completed and the form is annexed hereto.

#### 28. TITLE COMPANY

Purchaser shall use Feldman-Jacobson Abstract Corp. at 24 Market Street, Poughkeepsie, NY 12601, phone 845 454-1171, fax 845 454-3720 as the title company. Notwithstanding anything herein to the contrary.

RONALD J. COHEN

ANN EVE COHEN

DARRICK GRIMES

YOLANDA GRIMES

## Sep. 8. Cansos 1:08 April-01024-JGK

## Property Condition Disclosure Statement

Name of Seller or Sellers: Ronald J. Cohen and Ann Eye Cohen

Property Address:

23 Stacy Lee Drive, Newburgh, New York 12650

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

#### Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This disclosure statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of five hundred dollars (\$500.00) against the agreed upon purchase price of the residential real property.

"Residential Real Property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller,

#### Instructions to the Seller:

(a) Answer all questions based upon your actual knowledge.

(b) Attach additional pages with your signature if additional space is required,

(c) Complete this form yourself,

(d) If some items do not apply to your property, check "NA" (Non-Applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement: The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

#### Gen

ner	il thiormation
1.	How long have you owned the property? 1987 New at the Time
2.	How long have you occupied the property?
3, '	What is the age of the structure or structures? 1487 thouse.
	Note to Buyer - If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint,
4,	Does anybody other than yourself have a lease, easement or any other right to use or occurs any part
	of your property other than those stated in documents available in the public record, such as rights to use a road or path or cut trees or crops?
	Yes (No) Unkn NA. (If yes, explain below.)
5.	Does anybody else claim to own any part of your property?
	Does anybody else claim to own any part of your property?  Yes (No) Unkn NA (If yes, explain below.)

Has anyone denied you access to the property or made a formal legal claim challenging your title to
The property? Yes The Inkn NA Of yes explain below?
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nomeowners association, such as walls, fences or driveways? Stacu her Daire Pairate Loan
(Yes) No Unkn NA (If yes, describe below).
Are there any electric or gas utility surcharges for line extensions, spacial assessments or homeowner
or other association less that apply to the property?
(Yes) No Unkn NA (If yes, explain below.) Lpo nee a usu of a
Are there certificates of occupancy related to the property?  Yes No Unkn NA (If yes, explain below.)  Yes No Unkn NA (If no, explain below.)  Extorer.
(Yes) No Unkn NA (If no, explain below.)
Ectoro

#### Environmental

Note to Seller - In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short- or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and lead.

Note to Buyer - If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of the p	roperty lo	cated in a	ı designa	ted floo	xiplain?
	Yes	(No)	Unkn	NA	(If yes, explain below.)
11. Is any or all of the p	roperty lo	eloc in a	designa	ted wet	land?
	Yes	(No)	Unkn	NA	(If yes, explain below.)
12. Is the property locate	d in an ag	nicultura	l district	?	
	Yes	(No)		NA	(If yes, explain below.)
13. Was the property eve			fill?;		•
	Yes.	$(N_0)$	Unkn	NA	(If yes, explain below.)
14. Are there or have the	ere ever be	ध्या गान ३	torago ta	inks abo	ove or below the ground on the property?
	(Yes)	No	Unkn	NA	Oiltank
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	Yes	No	Unkn	NA	
Location(s)					
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Are they leaking or f	Yes ne structur	(No)	Unkn		(If yes, explain below.)
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32. Plumbing System? Yes (No) Unkn NA	
33, Security System? Yes No Unkn NA	
34. Carbon Monoxide Detector? Yes No Unkn NA	
35. Smoke Detector? Yes No Unkn NA	
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38. Foundation/Slab? Yes No Unkn NA	
39. Interior Walls/Ceilings? Yes No Unkn NA	
40. Exterlor Walls Or Siding? Yes No Unkn NA Some tiles coad	<del>, , , , , , , , , , , , , , , , , , , </del>
41: Floors? (65) No Unkn NA - Some tiles coad	e ed
42. Chimney/Fireplace or Stove? Yes (No) Unkn NA	
43. Patio/Deck? Yes (No. Unkn NA	
44. Driveway? Yes No Unkn NA	
45. Air Conditioner? Yes No Unkn NA	
46. Heating System? Yes You Unkn NA	
48. The Property is located in the following School District: Newburgh Unkn	
Exhausted Ct & school	
Wole: Buyer is encouraged to check public records concerning the property (a.g. tax records and western and	
flood plain maps.)	
The seller should use this area to further explain any item above. If necessary, attach additional pages and	
indicate here the number of additional pages attached.	
Seller's Certifications Saller certifies that the information of the selection of the selec	•
Seller's Certification: Seller certifies that the information in this property condition disclosure statement is	
true and complete to the seller's actual knowledge as of the date signed by the seller. If a seller of residential	
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## ADDITIONAL RIDER TO CONTRACT OF SALE 23 Stacy Lee Drive Newburgh, NY

- 1. The terms of this Additional Rider shall prevail over the terms of the printed form and any other Rider to the Contract to which this Additional Rider is attached.
- 2. Seller makes the following additional representations and covenants:
  - (a) The underground oil tank has never leaked or been damaged.
  - (b) All work and alterations to the Premises have been performed in accordance with applicable law,
  - (c) Seller shall maintain the Premises, including landscaping in its present condition (reasonable wear and tear excepted) until closing,
  - (d) Seller is not in violation of any of the Restrictive Covenants set forth in the deed in which the premises were conveyed to Seller, and
  - (e)At closing, (i)the roof and basement shall be free of leaks and water seepage, and (ii) all pool equipment shall be included in this sale.
- 3. This Agreement may be executed in counterparts, and the delivery of facsimile copies of the fully executed agreement shall constitute a binding agreement provided that the Downpayment is delivered to Escrow Agent, and that original executed copies are delivered promptly after the delivery of a facsimile copy.
- 4. If due to Purchaser's inability to close, the closing does not occur by September 15, 2005 then the Seller shall have the pool closed for the season and Purchaser shall reimburse Seller the sum of \$500 at closing.
- 5. Paragraph 20 of the Rider is modified and supplemented to provide that in the event that Purchaser is unable to close title due to the inability to close title on the sale of their present residence within 90 days following the date a fully executed copy of this Contract is delivered to Purchaser attorney, then Seller by notice to Purchaser delivered within 10 days following the expiration of such 90 day period, may elect to either (x) terminate this Contract, in which case Seller shall cause the Downpayment to be refunded to Purchaser and neither party shall have any further obligations to the other party, or (b) extend the contract under the same terms and conditions for an additional thirty (30) days. The Contract shall automatically terminate at the expiration of such additional 30 day period if the closing has not occurred and the Downpayment shall be refunded to Purchaser, If Seller delivers a notice of termination, Purchaser shall have the right by notice to Seller deliveagred within five (5) days following the receipt of the termination to elect to close notwithstanding that Purchaser has not closed on the sale of their present residence, and in which case the parties shall proceed to closing on a date no later than 15 days later then the date of Purchaser's notice to proceed.

- 6. Modifying Paragraph 2 of the First Rider, (a) delivery of the title report shall constitute notice of objections, and (b) notwithstanding the provisions of this paragraph, Seller shall cause any mortgages executed by Seller to be discharged prior to closing.
- 7. Modifying paragraphs 3 and 5 of the Rider, nothing contained therein shall diminish Seller's obligations under Paragraph 16 of the Printed Form of this Contract.
- 8. Paragraph 11 of the Rider is deleted. If Seller is in possession of a survey, Seller shall deliver same to Purchaser simultaneously with the delivery of fully executed copies of the Contract of Sale. Otherwise Purchaser may order a survey from any licensed surveyor and Seller agrees to attach a metes and bounds description as an exhibit to the deed unless Seller demonstrates error in such description.
- 9. Paragraph 28 of the Rider is deleted in its entirety.
- 10. Modifying Paragraph 15 of the first Rider, Purchaser within 15 days of the date its attorney receives a fully executed copy of the Contract, may cause the underground fuel tank and to be inspected for tightness. If the inspection reveals leakage or contamination, Seller shall remediate same prior to closing.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the \_\_\_\_\_ day of July, 2005

SELLERS:

PURCHASERS:

Unn Col

1 Jolanda Home

# Exhibit C - Part 2

## AMENDMENT TO CONTRACT OF SALE

This Amendment dated as of September 14, 2005 (this "Amendment") amending that certain Contract of Sale dated as of August 12, 2005 (the "Contract") between Ronald J. Cohen and Ann Eve Cohen ("Sellers") and Darrick Grimes and Yoland Grimes ("Purchasers")

## THE PARTIES AGREE AS FOLLOWS

- 1. Paragraph 3 is amended to increase the Purchase Price to \$450,000.00
- 2. At closing, Seller shall credit Purchaser the sum of \$13,500, as Seller's contribution toward Purchaser's closing costs.

SELLERS:

RONALD J. COHEN

ANN EVE COHEN

DAIGACK ORDINALS

PURCHASERS:

YOLANDA GRIMES

#### RESIDENTIAL CONTRACT OF SALE

tointly Prepared by the Real Property Section of the New York State Bar Association, the New York State Land Title Association, the Committee on Real Property Law of the Association of the Bar of the City of New York and the Committee on Real Property Law of the New York County Lawyers' Association. (11/00)

#### CONSULT YOUR LAWYER BEFORE SIGNING THIS CONTRACT.

NOTE: FIRE AND CASUALTY LOSSES AND CONDEMNATION. This contract form does not provide for what happens in the event of fire, or other casualty loss or condemnation before the title closing. Unless different provision is made in this contract, Section 5-1311 of the General Obligations Law will apply. One part of that law makes a Purchaser responsible for fire and casualty loss upon taking possession of the Premises before the title closing.

WARNING: PLAIN LANGUAGE. No representation is made that this form of contract for the sale and purchase of real estate complies with Section 5-702 of the General Obligations Law ("Plain Language").

CONTRACT OF SALE made as of

between

Ronald J. Cohen and Ann Eve Cohen, husband and wife Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Social Security Number/Fed. I. D. No(s):

hereinafter called "Seller" and

Darrick Grimes and Yolanda Grimes, husband and wife Address: 188-19 104th Avenue, St. Albans, New York 11412

Social Security Number/Fed. I. D. No(s):

hereinafter called "Purchaser."

#### The parties hereby agree as follows:

1. Premises. Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A," annexed hereto and made a part hereof and also known as:

Street Address: 23 Stacy Lee Drive, Newburgh, New York 12550

ax Map Designation: Section 106, Block 2, Lot(s) 4.2, Town of Newburgh, Orange County begether with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, corned or preposed, adjoining the Premises to the center line thereof, including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

2. Personal Property. This sale also includes all fixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatments, shades, screens, awnings, storm windows, storm doors, window boxes, mail box, TV aerials, weather vane, flagpole, pumps, shrubbery, fencing, outdoor statuary, tool shed, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built-in microwave oven, refrigerator, freezer, all conditioning equipment and installations, wall to wall carpeting and built-ins not excluded below. (strike our inapplicable items).

central vacum, ceiling fan, cook top, compactor, garage door opener, microwave wall oven, 2 sheds, pool heating, pool filter, pool cover.

Excluded from this sale are furniture and household furnishings and

\* and Stacy Lee Drive private road and interest therein

3	Case 1:08-cv-01024-JGK	Document 21-6	Filed 06/16/2008	Page 5 of 27	
navahle a	chase Price. The purchase price is so sollows:			\$	435,000.00
(a) Ilection Downpa	on the signing of this contract, by Purch to the receipt of which is hereby acknowle syment"):	edged, to be held in escrow	pursuant to paragraph 6 of	this cor \$	ntract (the 20,000.00
shall assu (c)	by allowance for the principal amount unne by joinder in the deed:  by a purchase money note and mortgage balance at Closing in accordance with p	- from Purchaser to Seller:		ment e \$ \$ \$	of which Purchaser
(a)	sting Mortgage (Delete if inapplicable)  The Premises shall be conveyed subject t the rate of percent per an	If this sale is subject to an to the continuing lien of the	ie existing mortgage, which	is pres	paragraph 3(b) above
interest a  (h)  reduce th	nd escrow amounts, if any, and with any  To the extent that any required payment e unpaid principal amount thereof below	balance of principal being is are made on the existing the amount shown in para	due and payable on mortgage between the date graph 3(b), then the balance	of the	price payable at
amount si	inder paragraph 3(d) shall be increased by hown in paragraph 3(b) is substantially of ween the date hereof and Closing. If there is a mortgagee escrow account,	orrect and agrees that only	payments required by the ex	xisting	mortgage will be
shall pay	It there is a morigagee excrow account, the amount in the escrow account to Selle Seller shall deliver to Purchaser at Closi sting mortgage, in form for recording, cer	er at Closing	more than 30 days before CI	osing s	igned by the holder
paid and recording	the amounts, if any, claimed to be unpaid such certificate. If the holder of the exist Law it may, instead of the certificate, furr	for principal and interest, ing mortgage is a bank or	itemizing the same. Seller so other institution as defined	shall pa in Sect	ay the fees for ion 274-a of the Rea
than 30 d  (e) the note s	ays before Closing, containing the same i Seller represents and warrants that (i) So coured thereby and any extensions and m	nformation eller has delivered to Purcl odifications thereof, (ii) th	naser true and complete cop e existing mortgage is not n	ies of t	he existing mortgage
require	vill not be, in default, and (iii) the existing its immediate payment in full or to chang the chase Money Mortgage (Delete if inapp	ge any other term thereof l	by reason of the sale or conv	zeyan ce	of the Premises.
3(c) above		shall be drawn by the atto	rney for Seller in the form a	attache	d or, if not, in the
recording (b)	fees and the attorney's fees in the amount The purchase money note and mortgage and any extensions, modifications, replace	t of \$ shall also provide that it i	for its preparation s subject and subordinate to	the lie	n of the existing
rate there	of shall not be greater than per annum, and (ii) if the princip	ercent per annum and the	total debt service thereunde	er shall	not be greater than

Downpayment in Escrow. (a) Seller's attorney ("Escrowee") shall hold the Downpayment in escrow in a segregated bank 6. account at The Bank of New York

existing mortgage at the time of placing such new mortgage or consolidated mortgage, the excess be paid to the holder of such purchase money mortgage in reduction of the principal thereof. The purchase money mortgage shall also provide that such payment. to the holder thereof shall not alter or affect the regular installments, if any, of principal payable thereunder and that the holder thereof will, on demand and without charge therefor, execute, acknowledge and deliver any agreement or agreements further to

Address: 225 Main Street, Goshen, New York 10924

until Closing or sooner termination of this contract and shall pay over or apply the Downpayment in accordance with the terms of interest-bearing account for the benefit of the parties. If this paragraph. Escrowee shall hold the Downpayment in a(n) non interest is held for the benefit of the parties, it shall be paid to the party entitled to the Downpayment and the party receiving the interest shall pay any income taxes thereon. If interest is not held for the benefit of the parties, the Downpayment shall be placed in an IOLA account or as otherwise permitted or required by law. The Social Security or Federal Identification numbers of the parties shall be furnished to Escrowee upon request. At Closing, the Downpayment shall be paid by Escrowee to Seller. If for any reason Closing does not occur and either party gives Notice (as defined in paragraph 25) to Escrowee demanding payment of the Downpayment, Escrowee shall give prompt Notice to the other party of such demand. If Escrowee does not receive Notice of

effectuate such subordination.

objection from such other party to the proposed payment within 10 business days after the giving of such Notice, Escrowee is hereby authorized and directed to make such payment. If Escrowee does receive such Notice of objection within such 10 day period or if for y other reason Escrowee in good faith shall elect not to make such payment, Escrowee shall continue to hold such amount until erwise directed by Notice from the parties to this contract or a final, nonappealable judgment, order or decree of a court. However, Escrowee shall have the right at any time to deposit the Downpayment and the interest thereon with the clerk of a court in the county in which the Premises are located and shall give Notice of such deposit to Seller and Purchaser. Upon such deposit or other disbursement in accordance with the terms of this paragraph, Escrowee shall be relieved and discharged of all further obligations and responsibilities hereunder.

- (b) The parties acknowledge that, Escrowee is acting solely as a stakeholder at their request and for their convenience and that Escrowee shall not be liable to either party for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee. Seller and Purchaser jointly and severally (with right of contribution) agree to defend (by attorneys selected by Escrowee), indemnify and hold Escrowee harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith or in willful disregard of this contract or involving gross negligence on the part of Escrowee.
- (c) Escrowee may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting upon the advice of such counsel.
- (d) Escrowee acknowledges receipt of the Downpayment by check subject to collection and Escrowee's agreement to the provisions of this paragraph by signing in the place indicated on the signature page of this contract.
- (e) Escrowee or any member of its firm shall be permitted to act as counsel for Seller in any dispute as to the disbursement of the Downpayment or any other dispute between the parties whether or not Escrowee is in possession of the Downpayment and continues to act as Escrowee.
  - (f) The party whose attorney is Escrowee shall be liable for loss of the Downpayment.
- Acceptable Funds. All money payable under this contract, unless otherwise specified, shall be paid by:
  - Cash, but not over \$1,000.00; (a)
- Good certified check of Purchaser drawn on or official check issued by any bank, savings bank, trust company or savings and loan association having a banking office in the State of New York, unendorsed and payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;
  - As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of (c) 50.00
    - As otherwise agreed to in writing by Seller or Seller's attorney. (d)

#### 8. Mortgage Commitment Contingency. (Delete paragraph if inapplicable. For explanation, see Notes on Mortgage Commitment Contingency Clause)

- (a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before days after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney in the manner set forth in paragraph 25 or subparagraph 8(j) (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, years (or such lesser at Purchaser's sole cost and expense, of \$ 391,500.00 for a term of at least sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 8(e) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.
- (b) Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 8(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.
- (c) (Delete this subparagraph if inapplicable) Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the

terms and conditions set forth in subparagraph 8(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such stitutional Lender(s).

- (d) If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph 8.
- (e) If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph 8.
- (f) If this contract is canceled by Purchaser pursuant to subparagraphs 8(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser and except as set forth in paragraph 27.
- (g) If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 8(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph 8.
- (h) If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 8) and except as set forth in paragraph 27.
- (i) For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.
  - (j) For purposes of subparagraph 8(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on third business day following the date of ordinary or regular mailing, postage prepaid.
- 9. Permitted Exceptions. The Premises are sold and shall be conveyed subject to:
- (a) Zoning and subdivision laws and regulations, and landmark, historic or wetlands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;
  - (b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;
  - (c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;
  - (d) Real estate taxes that are a lien, but are not yet due and payable; and
  - (e) The other matters, if any, including a survey exception, set forth in a Rider attached.
- 10. Governmental Violations and Orders. (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date hereof by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose these matters.
- (b) (Delete if inapplicable) All obligations affecting the Premises pursuant to the Administrative Code of the City of New York incurred prior to Closing and payable in money shall be discharged by Seller at or prior to Closing.
- 11. Seller's Representations. (a) Seller represents and warrants to Purchaser that:
  - (i) The Premises abut or have a right of access to a public road;
- (ii) Seller is the sole owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;
- (iii) Seller is not a "foreign person," as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("IRC") Section 1445, as amended, and the regulations promulgated thereunder (collectively "FIRPTA");
  - (iv) The Premises are not affected by any exemptions or abatements of taxes; and
  - (v) Seller has been known by no other name for the past ten years, except



- (b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.
- (c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other bligations contained in this contract shall survive Closing.
- 12. Condition of Property. Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of closing (except as otherwise set forth in paragraph 16(c)); without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.
- 13. Insurable Title. Seller shall give and Purchaser shall accept such title as any reputable title insurance or abstract company licensed to do business in the state of New York shall be willing to approve and insure in accordance with its standard form of title policy approved by the New York State Insurance Department, subject only to the matters provided for in this contract.
- 14. Closing, Deed and Title. (a) "Closing" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a bargain and sale with covenant against grantor's acts

  deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by subd. 5 of Section 13 of the Lien Law.
- (b) If Seller is a corporation, it shall deliver to Purchaser at the time of Closing (i) a resolution of its Board of Directors authorizing the sale and delivery of the deed, and (ii) a certificate by the Secretary or Assistant Secretary of the corporation certifying such resolution and setting forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such case shall contain a recital sufficient to establish compliance with that Section.
- 5. Closing Date and Place. Closing shall take place at the office of Seller's attorney
- at 10AM o'clock on or about September 15, 2005 or, upon reasonable notice (by telephone or otherwise) by Purchaser, at the office of lender's attorney
- 16. Conditions to Closing. This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:
  - (a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.
- (b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a single family dwelling at the date of Closing.
- (c) The delivery by Seller to Purchaser of a certificate stating that Seller is not a foreign person, which certificate shall be in the form then required by FIRPTA, or a withholding certificate from the I.R.S. If Seller fails to deliver the aforesaid certificate or if Purchaser is not entitled under FIRPTA to rely on such certificate, Purchaser shall deduct and withhold from the purchase price a sum equal to 10% thereof (or any lesser amount permitted by law) and shall at Closing remit the withheld amount with the required forms to the Internal Revenue Service.
- (d) The delivery of the Premises and all buildings(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.
- (e) All plumbing (including water supply and septic systems, if any), heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the buildings(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.
- (f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.
  - (g) The delivery by the parties of any other affidavits required as a condition of recording the deed.
- 17. Deed Transfer and Recording Taxes. At Closing, certified or official bank checks payable to the order of the appropriate

State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks i returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

- 18. Apportionments and Other Adjustments; Water Meter and Installment Assessments. (a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing:
- (i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transferable insurance policies and renewals of those expiring prior to Closing; (v) vault charges; (vi) rents as and when collected. (iii) Apple Knoll Estates \$100 per quarter maintenence fee
- (b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.
- (c)—If there is a water meter on the Premises, Seller shall furnish a reading to a date not more than 30 days before Closing and the unfixed meter charge and sewer rent, if any, shall be apportioned on the basis of such last reading.
- (d) If at the date of Closing the premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.
- (e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing. This subparagraph shall survive Closing.
- 19. Allowance for Unpaid Taxes, etc. Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefor computed to said date are produced at Closing.
- 20. Use of Purchase Price to Remove Encumbrances. If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient moneys with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.
- 21. Title Examination; Seller's Inability to Convey; Limitations of Liability. (a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance by the New York State Insurance Department or any agent for such title company promptly after the execution of this contract or, if this contract is subject to the mortgage contingency set forth in paragraph 8, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.
- (b)(i) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "Defects"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon Notice to Purchaser, to adjourn the date for Closing hereunder for a period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing.
- (c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund or cause the Escrowee to refund the Downpayment to Purchaser and, unless

cancelled as a result of Purchaser's default or pursuant to paragraph 8, to reimburse Purchaset, for the net cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid or incurred by Purchaser, for updating to existing survey of the Premises or of a new survey, and (ii) the obligations under paragraph 27 shall survive the termination of contract.

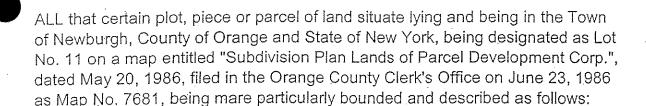
- 22. Affidavit as to Judgments, Bankruptcies, etc. If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.
- 23. Defaults and Remedies. (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Downpayment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Downpayment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.
- (b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.
- 24. Purchaser's Lien. All money paid on account of this contract, and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.
- 25. Notices. Any notice or other communication ("Notice") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by registered or certified mail, postage prepaid, or
- (b) delivered in person or by overnight courier, with receipt acknowledged, to the respective addresses given in this contract for the party and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered, or
- (c) with respect to ¶7(b) or ¶20, sent by fax to the party's attorney. Each Notice by fax shall be deemed given when ssmission is confirmed by the sender's fax machine. A copy of each Notice sent to a party shall also be sent to the party's rney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries. This contract may be delivered as provided above or by ordinary mail.
- 26. No Assignment. This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.
- 27. Broker. Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale other than Easy Lifestyle Real Estate (selling broker) and Century 21 Anarumo-ZOAR Realty (listing broker)
- ("Broker") and Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Seller and Purchaser shall indemnify and defend each other against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach on their respective parts of any representation or agreement contained in this paragraph. The provisions of this paragraph shall survive Closing or, if Closing does not occur, the termination of this contract.
- 28. Miscellaneous. (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.
- (b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.
- (c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.
- (d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.
  - (e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

- (f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.
- (g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further astruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent of purpose of this contract. This subparagraph shall survive Closing.
- (h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.
- (i) If applicable, the complete and fully executed disclosure of information on lead-based paint and/or lead-based paint hazards is attached hereto and made a part hereof.

Ronald J. Cohen, Seller  Social Security No./Fed. I.D. No.  Ann Eve Cohen, Seller  .  Social Security No./Fed. I.D. No.		Darrick Grim	es, Purchaser					
		Social Security No./Fed. I.D. No.  Yolanda Grimes, Purchaser  Social Security No./Fed. I.D. No.						
					Attorney for Seller: Cohen, Estis & Associates, LLP Address: 40 Matthews Street Goshen, New York 10924		Address: 919 3rd Aven	Plimpton LLC
					l.: (845) 291-1900	Fax: (845) 291-0861	Tel.: (212) 909-7211	
Receipt of the Downpaym	ent is acknowledged and the u	ndersigned agrees to act in acc	ordance with the provisions of paragraph (					
	Cohen, Est	is & Associates, LLP						

writer No. 8711048097 le Number 0211040653

Page '



Beginning at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 deg. 37' West 440.00 feet from the intersection of the said southwesterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot No. 12, of the above mentioned filed map, on the east and the lot No. 11 herein described on the west; thence along the last mentioned division line, South 22 deg. 23' West 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot No. 11 herein described on the north; thence along the last mentioned division line, North 72 deg. 40' West 301.17 feet to a point on the division line between Lot No. 10, of the above mentioned filed map, on the west and Lot No. 11 herein described on the east; thence along the last mentioned division line, North 22 deg. 23' East 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive; thence along the last mentioned line South 67 deg. 37' East 300.00 feet to the point or place of beginning.

Together with an undivided one twelfth interest in and to the private road known as Stacy Lee Drive as shown on the aforementioned Map No. 7681 as well as the right to place utilities under said private road.

\* Insure

#### DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS

#### Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

urchaser Da		 Date	Purchaser <b>Yolanda Grimes</b>	Date
Agent		Date	Agent	Date
Seller Ronald	d J. Cohen	Date	Seller Ann Eve Cohen	Date
	•			
nformation p	rovided by the signatory is	true and accu	rate.	<b>.</b>
Certification The following	of Accuracy narties have reviewed the	information a	bove and certify, to the best of their know	wledge, that the
	his/her responsibility to e	nsure compila:		
Agent's Ack (f)			er's obligations under 42 U.S.C. 4852(d	) and is aware c
		o conduct a ris	k assessment or inspection for the preser	
[ ]			ually agreed upon period) to conduct a ris d paint and/or lead-based paint hazards;	
(e)	Purchaser has (check one	below):		
(c) (d)	Purchaser has received to		ormation listed above. Potect Your Family from Lead in Your H	ome.
	Acknowledgment (initial)			
hous	ing.			
[]		ecords pertain	ing to lead-based paint and/or lead-based	paint hazards i
į j			n the housing (list documents below).	.8
(b)	Records and reports avai		ller (check one below): all available records and reports pertainir	ng to lead-based
[]			paint and/or lead-based paint hazards in t	he housing.
		<u></u>		
	Known lead-based paint	and/or lead-ba	sed paint hazards are present in the hous	ing (explain).

bing and being in the by the purty of the second just, does hereby grant and release uppo the party of the second part, the helm or ALL that certain piot, piece or pared of land, with the buildings and improvement havis money of the United State, and other good and valuable consideration WITNESSETH, that the party of the first part, in comideration of TEN AND NO/100-Party of the first part, and ROHALD J. COHEN & ANN EVE COHEN, at & Danbury Court, Apt. 1317, Suffern, New York 10. occasions and sasigns of the party of the second part foreser, BETWEEN, Apric Moci, ESTATES, a parenarchip with offices at R. D. f2, box 4260, Walden, May York 12386 THIS INDENTURE, made the lith day of January Consist form lawire hoose shering that the terms of the second is the state of the second second second second (00,001) SEE SCHEDULE "A" ANNEXED HERETO. nineteco bundred and eighty aight o

> the Town of Newburgh, county of Orang designated as Lot (11 on a map entitle of Parcel Devalopment Corpy, dated H orange County Clark s. office on June more perficularly bounded and describ Ing and being it New York, baing it on Plan Lands filed in the Hap 17681, bein

TOGETHER WILL an undivided one twelfth interest in and a locamentioned May 17681 as well as the right to place utilities under said private road known as Stacy Lee Brive as shown on the alocamentioned May 17681 as well as the right to place utilities under said private road.

\*\*Brito a portion of Me premises described in a deed from Parcal Development Corp. to Appla Knoll Estabtes dated June 26, 1986 and recorded in the ocnape County Crark's ortice on July 1, 1986 in Liber 2539 of Daied at Page 190.

\*\*Britoch be the following restrictive covenants which shall run with the land and be binding forever upon the grantees herein and his heter, distributes, executors, administrators, successors and assigns: position the division line between Lot 10, of the above mentioned diled map, on the west and Lot 111 herein Heacri the east; thence, along the last mentioned division line, M22-22; \$ 264,90 feet to a point in the aforementioned southwesterly line of Story Lee Driver thence, along the mentioned line \$57-27° E 200,00 feet to the point or Place bestingting as the standard line \$57-27° E 200,00 feet to the point or Place point also being on the division line between lot to bove mentioned filed map, on the east and the Lot described on the west; thence, along the last mentioned in the west; thence along the last mentioned to the course of the c existing Stacy Lee m existing Frozen Ridge Road, said ision line between Lot 112, of the list on line between Lot 112, of the most east and the Lot 111 herein re, along the last mentioned division it on point on the division line manly of Frozen Ridge Acres on the cribed on the north; thence, along Line, NTZ-40', N 201.17 feet to a server Lot 10, of the above effect lot 10, of the above eribed

ol. The presides shall be used exclusively for readential purposes and in no event shall not true be be used to so whether so compation of any Xigd or nature be carried on upon said prastes, accept. for permitted use as a professional office by a New York State licensed New York professional in the Lields of medicine.

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dentistry, law, engineering, architecture,

garage, which shall be either attached to the dealing and one too can garage, which shall be either attached to the dealing or sconnected by a becavery, any be oracted upon the premises. However, in the event that an inground swimming pool or teemis court is conditueted upon the premises that it is not the premise out the conditueted upon the premises that a hall be premised or chann of dimensions no greater than 20 feet to be consumed within a radius of 50 feet of the swimming pool or teemis out and no less than 50 feet from the premises boundary line.

The construction of every dwalking and the landscaping of the premises shall be completed within eight months and twalve months respectively from the commencement of such work.

The premises shall be completed within eight months and twalve months respectively from the commencement of such work.

The premises shall be applicated within eight months and twalve months respectively and rubbish, takes and other vanishtly growth and shall be landscaped and mulbish receptoreds: (a) shall not be kept in an area, whether plokup postero only on the day schouled for plakup of uprisage and rubbish, and (c) shall be removed from the plokup of uprisage and rubbish, and (c) shall be removed from the plokup of uprisage and rubbish, and (c) shall be removed from the plokup of uprisage and rubbish and (c) shall be removed from the plokup of uprisage and rubbish and (c) shall be removed from the plokup of uprisage and rubbish procedure or lockup.



In B. BIRLIAR MRESTAL AND COLUTE OF CHAR OF LINE OWERLIARY UNIX. ANY DESCRIPTION OF THE MESSAGE kind, discards discarded motor vit current licenset from the current license from the 207 'Yarde, tests, shacks, shantles, trallers of any octor vehicles or parts thereof, motor vehicles from s plates, motor hoses, boats, alrphane or shall be left, permitted or accumulated on the ected anywhere on the premises ter set forth. One wooden fear as that of the dwelling unit a pool, in the dispretion of the kept on the Bustwood

BEING the same premises described in a dead from Apple Knoll Esterss to Nomild J. Cohen and Ann Cohen, dated May 22, 1987 and excorded in the Orange Gousty Clark's Office on June 3, 1987 in Liber 2723 of Deads at Page 32, this being a Correction Dead.

SUBJECT to that certain Private Road Haintenance Declaration dathd May 22, 1987 and recorded in the Grange County Clark's Office on June 3, 1987 in hiber 2723 of Deeds at Page 64,

attempting to violate any such covenant or persons so violating of attempting to violate any such covenant or restriction, or (b) to maintain a proceeding in equity for the purpose of preventing a violation or attempted violation by any person or persons of any such easement, covenant or restriction, or (c) to maintain a proceeding for the purpose of compelling any person or persons to do such acts as may be necessary to comply with any such casement, covenant or restriction, provided however, that the remedies contained in this paragraph shall be construed as cumulative with all other remedies now or harafter provided by law.

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the person or pr

This deed is given to correct the omission in the aforesaid prior deed of the transfer from the granton to the grantess of a 1/12 undivided intere in and to the private road known as Staby Lee Drive.

Indicating the none of the occupant of the presises.

(14) a sign of no wore than one toot by six inches indicating the bouse address of the presises.

(2 clothes innes of trees six inches to the presises.

(2 clothes innes of trees six inches to be a located in front six inches to the presises.

(3 crossing trees to yard decoration is to be placed of exhibited in front or side yards.

(4) a sign are to thich constitutes a missance to any other lot owner or readent.

(5) No proparty comer will do or paralt to be done any act comes or readent.

(6) There shall be no discharging of firears, guns or pistols of any kind callbur, type, or any settled of propulsion.

(6) No hunting of any kind shall be carried on or conducted on the president.

e done any act o any other lot guns or repulsion.

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for rent not exceeding one by two feet in size,

(2) a sign of no note than two feet indicating
the name of a licensed New York professional in the fields of
accounting dentistry, law, architecture, engineering, surveying on

. No signs shall be placed on the premises except as

indicating

9 (3) a sign of t

no more than one foot by six inches

The right to modify or aliminate all or APPLE MODIL ESTATES reserves the right to modify or aliminate all or any of the above reatrictions with respect to this lot or any other lots in said subdivision whenever in its sole discretion it deshes such change beneficial for this lot or other lots in the subdivision, provided the consent of the rajority of the owners of lots are consents thereto. Consent shall not be unreasonably withheid consents threto. Consent shall not be unreasonably withheid above the consents that and restrictions hardly shall be decorated by the said the coverence of the reservence and the coverence and restrictions hardly shall be decorated by the said the coverence and restrictions hardly shall be decorated by the said the coverence and restrictions hardly shall be decorated by the said the coverence and th

be easements and covenants and. If any person claimin claimin claimin to violate

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#### SELLER'S RIDER TO CONTRACT

## RONALD J. COHEN and ANN EVE COHEN TO DARRICK GRIMES and YOLANDA GRIMES

#### 1. NOTICE OF OBJECTIONS

Purchaser agrees to notify COHEN, ESTIS & ASSOCIATES, LLP, attorneys for the Seller, in writing, of any objections to title at least twenty (20) days before the date set for closing. In the event that there be any objections to title, the Seller may adjourn the closing of title to afford him reasonable opportunity to dispose of such objections. Seller, however, shall not be required to bring any action or proceeding or incur any expense to render its title marketable, except as hereinafter provided, with respect to disposition or payment of judgment, mechanic liens, mortgages federal and state tax liens and warrants.

#### 2. MERGER OF CONTRACT

It is understood and agreed by the parties that the delivery and acceptance of the deed of conveyance at the time of closing of title shall be deemed to constitute full compliance by the Seller of all of the terms, covenants and conditions of this Contract on its part to be performed. It is agreed that none of the terms hereof except those specifically made to survive title closing, shall survive such title closing.

#### 3. SELLER'S LIABILITY LIMITED

In the event Seller shall be unable to convey a marketable title to the premises hereinabove described or convey title to the premises in accordance with the terms of this Contract, Purchaser shall at Purchaser's election have the right to accept such title as the Seller is able to convey without claim on the part of the Purchaser for abatement for defects or objections, or Purchaser shall have the right to rescind this Contract, and upon such recision pursuant to this paragraph, the rights of the Purchaser shall be limited to the return of the monies paid upon the signing of this Contract shall be under no obligation or liability whatsoever to the Purchaser for any damages that Purchaser may have sustained by reason of Seller's failure to convey title hereunder. In no event shall Seller be required to incur any expenditures of any sums of money to cure or remove defects, liens or encumbrances or institute any action or proceedings to render title marketable.

#### 4. DEPOSIT FOR LIENS

If the premises be subject to any liens, including transfer, inheritance, estate, franchise, license or other similar tax, the amount of which has not been finally fixed, the same shall not be deemed an objection to title, provided that any title company in good standing to which Purchaser has applied for title insurance will, at the time of the closing of title, issue or bind itself to issue its policy which will insure Purchaser against collection of said liens and taxes from said premises, or if Seller leaves a reasonable deposit with Seller's attorney or with Purchaser's title company to

secure the payment thereof.

#### 5. PURCHASER'S RISKS

Purchaser represents that the Purchaser has inspected the premises hereinabove described and is purchasing said premises in "as is" condition as of this date, reasonable wear and tear excepted. This Contract, as written, contains all the terms of the agreement entered into between the parties, and Purchaser acknowledges that Seller has made no representations, is unwilling to make any representations, and held out no inducements to the Purchaser, other than those herein expressed, and the Seller is not liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations, or information pertaining to the said premises as to the physical condition, income, expense, operation, or to what use the premises can be applied, including, but not limited to any matter or thing affecting or relating to the said premises, except as herein specifically set forth. The Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the above premises furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth herein.

#### 6. RIGHT OF ASSIGNMENT

The Purchaser shall not assign this agreement without the written consent of the Seller.

#### 7 CONTROLLING PROVISIONS

The provisions of this rider are in addition to the main body of this Contract. In each instance in which a provision of this rider shall contradict or be inconsistent with a provision of the main body of the Contract or any subsequent rider, the provisions contained in this rider shall govern and prevail.

#### 8 ACCEPTANCE OF RIDER

The execution of the printed form by the Seller and the Purchaser of the Contract annexed hereto shall constitute acceptance of the terms of this rider.

#### 9. CHANGING OR CANCELING OF CONTRACT

This Contract may not be changed or canceled except in writing. The Contract shall also apply to and bind the distributees, heirs, executors, administrators, successors and assign of the respective parties. Each of the parties hereby authorize their attorneys to agree in writing to any change in dates and time period provided for in this Contract.

The purchaser acknowledges that this agreement was prepared by the attorney for the Seller. To the extent that changes made by the Purchaser or his attorney are not initialed by the Seller, those changes shall not be binding upon the Seller and terms of this agreement as originally prepared in that respect shall be binding upon both parties hereto.

#### 10 CONTRACT TERMINATION

In the event this Contract is terminated by Purchaser, notwithstanding any other provision of this agreement, or law of the State of New York, Purchaser shall deliver to Seller all maps, surveys, site plans, preliminary and final subdivision plans, engineering reports, studies and analyses at no cost to the Seller.

#### 11. METES AND BOUNDS DESCRIPTION

If Purchaser orders a survey, Purchaser shall use the firm of Vince Doce, 15 New Road, Newburgh, NY 12550.

In the event Purchaser obtains a survey of the premises and the survey is certified to the Seller, the Seller agrees to include in the deed of conveyance a metes and bounds description in accordance with the survey, with the understanding by Purchaser that Seller does not thereby warrant the accuracy of said metes and bounds description.

#### 12. PURCHASER'S DEFAULT

The parties mutually acknowledge that if the Purchasers should default in closing title or under any other term or condition of this Contract, it may be impossible to determine Seller's actual damages. Accordingly, if the Purchasers shall default, whether such default be willful or otherwise, the Sellers shall have the option to retain any and all funds previously paid by the Purchasers pursuant to this agreement as liquidated damages. In the event Seller elects to retain the down payment, both parties shall be relieved and released of and from any further liabilities hereunder, and Purchaser expressly releases any lien Purchaser may have against the property. Further, in the event of any default by Purchasers in closing title, the Seller is authorized to place the premises back on the market free and clear of any claim which the Purchaser may have against the premises.

#### 13. WATER SUPPLY

If the water supply serving the premises is derived from a well, Seller represents that the water is potable and of pure quality for domestic purposes, without the need for treatment and Purchaser is given the right to test the water to determine the above. The Purchaser shall have until ten (10) days after receipt of fully executed contracts to obtain the report and notify Seller's attorney of any defects and in the event the Purchaser does not so notify Seller's attorney by that date, performance of the condition shall be deemed waived.

#### 14. TERMITE INSPECTION

The Purchaser may have the premises inspected for termite and/or carpenter ant infestation. In the event such infestation is found, the Seller, at Seller's option, may have same repaired by a licensed exterminator of their choice, or in the alternative, may cancel this Contract and return the down payment hereunder, unless the Purchaser, at Purchaser's option, elects to accept the premises "as is". Purchaser shall have until ten (10) days after receipt of fully executed contract to obtain the report and notify Seller's attorney for any defects and in the event Purchaser does not so notify

Seller's attorney by that date, performance of the condition shall be deemed waived.

#### 15. INSPECTIONS

Within ten (10) days Purchaser(s) at his/her/their own cost and expense may cause the premises to be examined by an engineer for structural items, for mold contamination and if such inspection reveals unacceptable conditions then the Purchaser(s) may, at their option, terminate this agreement and receive the return of the downpayment.

#### 16. LEAD PAINT DISCLOSURE

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, a reduced intelligence quotient, behavior problem and impaired memory. Lead Poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential property is required to provide the buyer with any information on lead based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead based paint hazards is recommended prior to purchase. Seller knows of no lead based paint hazards and has no reports or records pertaining to lead based paint or hazards in the house, except as may be attached to this Contract. Purchaser has ten (10) days from the signing of this Contract to conduct a risk assessment or inspection for the presence of lead based paint and/or lead based paint hazards.

#### 17. SMOKE ALARM AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with the Executive Law Section 378(5), and that such dwelling has installed an operable single station smoke detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

#### 18. CARBO MONOXIDE AFFIDAVIT

The Seller(s) herein shall deliver to the Purchaser(s) at the time of transfer an affidavit, in recordable form, indicating that the dwelling in question is in compliance with Executive Law Section 378(5)(a), and that such dwelling has installed an operable single station carbon monoxide detecting alarm device or devices, which is in compliance with the uniform code, prior to the sale or transfer of the property.

#### 19. LENDING INSTITUTION IN ANOTHER COUNTY

If the lending institution selected by the Purchasers requires a closing to be held in a county other than the county where the property is located, the Purchasers agree to pay to the Seller at

closing, an additional sum of \$250.00 for travel to adjacent counties. If travel is to New York City or any of the boroughs of New York City, the additional sum is \$400.00; if travel to Westchester County, the additional sum is \$300.00.

#### 20. SALE OF HOUSE CONTINGENCY

Purchaser represents that they have a house in Queen County that must be sold prior to their ability to close on this contract. Purchaser represents that they have already or will within ten (10) days of execution of this contact list the house with licensed real estate broker at fair market value. Seller may elect to accept another offer to purchase the premises in the event that Purchaser does not close on their Queens property within ninety(90) days of this contract. Purchaser shall receive ten (10) day written notice from Seller and has the right to close within the 100<sup>th</sup> day of this contract, otherwise Seller has the right to either (a) terminate Purchasers rights under this contract; or (b) extend the opportunity of Purchaser to proceed to a closing upon such term and conditions as Seller shall require. The purpose of this provision is to prevent an unlimited "lock-in" of the Sales Price and terms of Seller's obligations to hold the Premises out for the benefit of the Purchaser.

#### 21. POSSESSION OF PROPERTY

The conditions of the premises on closing shall be the same as at the time of the contract, reasonable wear and tear excepted. The Seller shall deliver the premises vacant and broom clean, free of all rubbish, garbage, debris and waste. Seller agrees to maintain the property in its present condition, continuing to mow and otherwise care for the lawn and garden beds and to generally maintain the appearance of the premises in accord with the standard of the neighborhood.

#### 22. "SUBJECT TO" CLAUSES

In addition to any other "subject to" clauses contained in the form contract, said premises are sold subject to the following:

- a. Any state of facts an accurate survey would show provided same do not render title unmarketable:
- b. Zoning ordinances, building regulations, covenants, easements, restrictions of record affecting the same premises, provided existing structure does not violate the same;
  - c. Mining and mineral rights of third parties, if any;
- d. Any variance in connection with fence, hedge, and like, surrounding the premises, provided the same does not render title unmarketable;
- e. In the event there exists any additional improvement to the premises, which violate covenants and restrictions, the existence of such violation of the covenants and restrictions shall not be deemed objection to title provided a title company can insure that said additions or improvements may remain in their present location as long as the same shall stand;

- f. Any state of facts a personal inspection of the premises would disclose.
- g. Public utility easements of record, if any.

#### 23. IRS INFORMATION RETURN DESIGNATION

Pursuant to the revised Section 6045 of the Internal Revenue Code, the attorney for the Seller, the attorney for the Purchaser or other closing agent must report the details of the closing of this transaction to the Internal Revenue Service. To enable such party to so report this transaction, the parties hereby certify that the Federal Identification Number/ Social Security Number is as follows:

Seller:	Purchaser:
Seller:	Purchaser:

Seller and Purchaser agree to notify the party required to report this transaction to the Internal Revenue Service at the closing, and to sign and date an informational sheet in that regard. It is further agreed that if the lender's attorney does not agree to perform such filing, said filing shall be the responsibility of the Seller's attorney.

#### 24. EXECUTION OF CONTRACT

It is expressly understood and agreed that this Contract offer made by Seller is not a binding Contract, and is subject to Sellers' acceptance and approval, and that this Contract is not an offer to sell, and shall not in any way bind Sellers until such time as the same has been approved and executed by the Sellers and delivered to the Purchaser or Purchaser's attorney. Until this Contract is executed by the Sellers and good checks are received by the Sellers, the Purchaser has no interest in the property or remedy against the Sellers for failure to execute this Contract.

Executed contracts of sale must be returned to the Seller's attorney's office no later than August 1, 2005, or this Contract shall be deemed null and void and the Sellers shall have the right to place their property back on the market.

#### 24. APPORTIONMENTS

Any errors or omissions in computing closing costs or apportionments at closing shall be corrected as soon as reasonably possible. This provision shall survive closing of title.

#### 25. CERTIFIED FUNDS

Notwithstanding the acceptance of any uncertified funds by the Seller in consideration for the delivery of the deed herein, said acceptance shall not constitute a waiver of any right under this Contract or shall be construed as an unconditional delivery of the deed to the Purchaser by the Seller, it being the attention of the parties hereto that the Purchaser shall personally guarantee, as part of Purchaser's consideration hereunder, said uncertified funds and further, it being the intention of the



of the parties, that the failure of said uncertified funds to be honored upon presentation to an appropriate bank shall constitute a failure of consideration under this Contract and shall require the Purchaser to tender the deed back to the Seller on ten (10) days written notice of that event. This provision shall survive closing of title.

#### 26. STACY LEE DRIVE

Seller has disclosed that Stacy Lee Drive is a private road and is governed by a recorded agreement see Exhibit "A" annexed.

The fee(s) assed by the homeowners association Apple Knoll Estates is \$100.00 per quorter and this shall be apportioned at closing. There is no notice to Seller of any special Assessment. The maintenance fee covers(i) taxes on the private road - all up to date (ii) insurance and (iii) maintenance.

#### 27. PROPERTY DISCLOSURE FORM

Seller has completed and the form is annexed hereto.

#### 28. TITLE COMPANY

Purchaser shall use Feldman-Jacobson Abstract Corp. at 24 Market Street, Poughkeepsie, NY 12601, phone 845 454-1171, fax 845 454-3720 as the title company. Notwithstanding anything herein to the contrary.

RONALD J. COHEN	DARRICK GRIMES
ANN EVE COHEN	YOLANDA GRIMES

#### **Property Condition Disclosure Statement**

Name of Seller or Sellers:	Ronald J. Cohen and Ann Eve Cohen
Property Address:	23 Stacy Lee Drive, Newburgh, New York 12550

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

#### Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This disclosure statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a disclosure statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of five hundred dollars (\$500.00) against the agreed upon purchase price of the residential real property.

"Residential Real Property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller.

#### Instructions to the Seller:

- (a) Answer all questions based upon your actual knowledge.
- (b) Attach additional pages with your signature if additional space is required.
- (c) Complete this form yourself.
- (d) If some items do not apply to your property, check "NA" (Non-Applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement: The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

Genera	al Information
1.	How long have you owned the property? 1987 New at the time
2.	How long have you occupied the property? 1987
3. 1	What is the age of the structure or structures? 1987 House
	Note to Buyer - If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint.
4.	Does anybody other than yourself have a lease, easement or any other right to use or occupy any part of your property other than those stated in documents available in the public record, such as rights to
	use a road or path or cut trees or crops?
	Yes (No) Unkn NA (If yes, explain below.)
5.	Does anybody else claim to own any part of your property?
	Yes (No) Unkn NA (If yes, explain below.)

6.	Has anyone denied you access to the property or made a formal legal claim challenging your title to
	the property? Yes (No) Unkn NA (If yes, explain below.)
7.	Are there any features of the property shared in common with adjoining land owners or a
	homeowners association, such as walls, fences or driveways? Stacy Lee Daive Private Road
	(Yes) No Unkn NA (If yes, describe below.)
8.	Are there any electric or gas utility surcharges for line extensions, special assessments or homeowner
	or other association fees that apply to the property?
	(Yes) No Unkn NA (If yes, explain below.) NO DER A UND YOU
9.	Are there certificates of occupancy related to the property?
	(Yes) No Unkn NA (If no, explain below.)
	Yes No Unkn NA (If yes, explain below.) No per quarter there certificates of occupancy related to the property?  Yes No Unkn NA (If no, explain below.)  Yes No Unkn NA (If no, explain below.)

#### Environmental

Note to Seller - In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short- or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and lead.

Note to Buyer - If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of the property located in a designated floodplain?							
	Yes	( <sup>1</sup> 0)	Unkn		(If yes, explain below.)		
11. Is any or all of the p	roperty lo	cated in	a design:	ated wet	tland?		
	Yes	(No)	Unkn	NA	(If yes, explain below.)		
12. Is the property locate	ed in an ag	grigultur	al distric	t?			
	Yes	(No)	Unkn	NA	(If yes, explain below.)		
13. Was the property eve	er the site	of a Jano	ifill?				
	Yes	(No)			(If yes, explain below.)		
<ol><li>14. Are there or have the</li></ol>	ere ever be	en Tuel:	storage t	anks ab	ove or below the ground on the property?		
	(Yes)	No	Unkn	NA	Oiltank		
If yes, are they curre	ntly in use	?					
	Yes	No	Unkn	NA			
Location(s)							
A Alexan landrimor on l		1 1	10				
Are they leaking or l			ted?		·		
Are they leaking or i	nave they of Yes	(No)	ted? Unkn	NA	(If yes, explain below.)		
15. Is there asbestos in the	Yes	$(N_0)$	Unkn	NA			
15. Is there asbestos in the	Yes ne structur Yes	(No)		NA NA	(If yes, explain below.) (If yes, state location or locations below.)		
•	Yes ne structur Yes sent?	(No)	Unkn				
15. Is there asbestos in the 16. Is lead plumbing pres	Yes ne structur Yes sent? Yes	$(N_0)$	Unkn				
15. Is there asbestos in the	Yes ne structur Yes sent? Yes a done?	(Zo) (Zo) (Zo)	Unkn Unkn Unkn	NA NA	(If yes, state location or locations below.) (If yes, state location or locations below.)		
<ul><li>15. Is there asbestos in the</li><li>16. Is lead plumbing presentation.</li><li>17. Has a radon test been</li></ul>	Yes ne structur Yes sent? Yes 1 done? Yes		Unkn Unkn Unkn Unkn Unkn	NA NA NA	(If yes, state location or locations below.) (If yes, state location or locations below.) (If yes, attach a copy of the report.)		
15. Is there asbestos in the 16. Is lead plumbing present. Has a radon test been 18. Has motor fuel, motor	Yes ne structur Yes sent? Yes n done? Yes or oil, hom	No No No No ne heatin	Unkn Unkn Unkn Unkn g fuel, lu	NA NA NA Ibricatir	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  ng oil or any other petroleum product,		
<ul><li>15. Is there asbestos in the</li><li>16. Is lead plumbing presentation.</li><li>17. Has a radon test been</li><li>18. Has motor fuel, motor methane gas, or any</li></ul>	Yes ne structur Yes sent? Yes n done? Yes or oil, hom hazardous	No No No No ne heatin or toxic	Unkn Unkn Unkn Unkn g fuel, lu	NA NA NA abricatir ce spille	(If yes, state location or locations below.) (If yes, state location or locations below.) (If yes, attach a copy of the report.)		
15. Is there asbestos in the 16. Is lead plumbing present. Has a radon test been 18. Has motor fuel, motor	Yes ne structur Yes sent? Yes n done? Yes or oil, hom hazardous property o	No No No ne heatin or toxiconto any	Unkn Unkn Unkn Unkn g fuel, lu s substan other pro	NA NA NA ubricatir ce spille	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  ng oil or any other petroleum product, ed, leaked or otherwise been released on the		
<ul><li>15. Is there asbestos in the</li><li>16. Is lead plumbing presentation.</li><li>17. Has a radon test been</li><li>18. Has motor fuel, motor methane gas, or any</li></ul>	Yes ne structur Yes sent? Yes n done? Yes or oil, hom hazardous	No No No No ne heatin or toxic	Unkn Unkn Unkn Unkn g fuel, lu	NA NA NA ubricatir ce spille	(If yes, state location or locations below.)  (If yes, state location or locations below.)  (If yes, attach a copy of the report.)  ng oil or any other petroleum product,		

Are there any known material defects in	n any of the fol	llowing (If	yes, explain below. U	Use additional sheets if	
necessary.):					
32. Plumbing System?	Yes (No	Unkn	NA		
33. Security System?	Yes No	Unkn	NA		
34. Carbon Monoxide Detector?	Yes No	Unkn	NA		
35. Smoke Detector?	Yes No	Unkn	NA		
36. Fire Sprinkler System?	Yes Mox	Unkn	NA		
37. Sump Pump?		Unkn	NA		
38. Foundation/Slab?	Yes Wo	Unkn	NA		
39. Interior Walls/Ceilings?	Yes (No.)	Unkn	NA		
40. Exterior Walls Or Siding?	Yes (No)	Unkn	NA L	- 1	7.1
41. Floors?	(Pes) No	Unkn		e tiles coac	reco
42. Chimney/Fireplace or Stove?	Yes No	Unkn	NA		
43. Patio/Deck?	Yes (NO)	Unkn	NA		*
44. Driveway?	Yes (No)	Unkn	NA		-
45. Air Conditioner?	Yes (No.)	Unkn	NA		
46. Heating System?	Yes Wo	Unkn	NA		
47. Hot Water Heater?	Yes (No)	Unkn	NA ,		
48. The Property is located in the fo	ollowing Schoo	l District:	Newbuyeh	Unkn	
The seller should use this area to further indicate here the number of additional p		em above.	If necessary, attach a	dditional pages and	
			· · · · · · · · · · · · · · · · · · ·		
	***************************************				
Seller's Certification: Seller certifies the true and complete to the seller's actual be real property acquires knowledge which statement provided previously, the seller buyer as soon as practicable. In no even condition disclosure statement after the to buyer, whichever is earlier.  Seller  Buyer's Acknowledgment: Buyer acknowledgment: Buyer acknowledgment: It is not a warranty of any kind pest, radon or other inspections or testing	cnowledge as o renders materi shall deliver at, however, sha transfer of title	f the date ally inaccion revised pull a seller from the seller grate	signed by the seller. It urate a property condition discondition disco	f a seller of residential ition disclosure statement to the carevised property occupancy by the mid buyer understands the property known to estitute for any home,	
Ringer	r	Tate			
Buyer			***************************************		
Buyer		Date		antis.	

# ADDITIONAL RIDER TO CONTRACT OF SALE 23 Stacy Lee Drive Newburgh, NY

- 1. The terms of this Additional Rider shall prevail over the terms of the printed form and any other Rider to the Contract to which this Additional Rider is attached.
- 2. Seller makes the following additional representations and covenants:
  - (a) The underground oil tank has never leaked or been damaged.
  - (b) All work and alterations to the Premises have been performed in accordance with applicable law,
  - (c)Seller shall maintain the Premises, including landscaping in its present condition (reasonable wear and tear excepted) until closing,
  - (d) Seller is not in violation of any of the Restrictive Covenants set forth in the deed in which the premises were conveyed to Seller, and
  - (e)At closing, (i)the roof and basement shall be free of leaks and water seepage, and (ii) all pool equipment shall be included in this sale.
- 3. This Agreement may be executed in counterparts, and the delivery of facsimile copies of the fully executed agreement shall constitute a binding agreement provided that the Downpayment is delivered to Escrow Agent, and that original executed copies are delivered promptly after the delivery of a facsimile copy.
- 4. If due to Purchaser's inability to close, the closing does not occur by September 15, 2005 then the Seller shall have the pool closed for the season and Purchaser shall reimburse Seller the sum of \$500 at closing.
- 5. Paragraph 20 of the Rider is modified and supplemented to provide that in the event that Purchaser is unable to close title due to the inability to close title on the sale of their present residence within 90 days following the date a fully executed copy of this Contract is delivered to Purchaser attorney, then Seller by notice to Purchaser delivered within 10 days following the expiration of such 90 day period, may elect to either (x) terminate this Contract, in which case Seller shall cause the Downpayment to be refunded to Purchaser and neither party shall have any further obligations to the other party, or (b) extend the contract under the same terms and conditions for an additional thirty (30) days. The Contract shall automatically terminate at the expiration of such additional 30 day period if the closing has not occurred and the Downpayment shall be refunded to Purchaser, If Seller delivers a notice of termination, Purchaser shall have the right by notice to Seller deliveagred within five (5) days following the receipt of the termination to elect to close notwithstanding that Purchaser has not closed on the sale of their present residence, and in which case the parties shall proceed to closing on a date no later than 15 days later then the date of Purchaser's notice to proceed.

- 6. Modifying Paragraph 2 of the First Rider, (a) delivery of the title report shall constitute notice of objections, and (b) notwithstanding the provisions of this paragraph, Seller shall cause any mortgages executed by Seller to be discharged prior to closing.
- 7. Modifying paragraphs 3 and 5 of the Rider, nothing contained therein shall diminish Seller's obligations under Paragraph 16 of the Printed Form of this Contract.
- 8. Paragraph 11 of the Rider is deleted. If Seller is in possession of a survey, Seller shall deliver same to Purchaser simultaneously with the delivery of fully executed copies of the Contract of Sale. Otherwise Purchaser may order a survey from any licensed surveyor and Seller agrees to attach a metes and bounds description as an exhibit to the deed unless Seller demonstrates error in such description.
- 9. Paragraph 28 of the Rider is deleted in its entirety.
- 10. Modifying Paragraph 15 of the first Rider, Purchaser within 15 days of the date its attorney receives a fully executed copy of the Contract, may cause the underground fuel tank and to be inspected for tightness. If the inspection reveals leakage or contamination, Seller shall remediate same prior to closing.

IN WITNESS WHEREOF, the parties have executed the within instrument as of the \_\_\_\_ day of July, 2005

SELLERS:	PURCHASERS:
	***************************************

### **Exhibit D**

CUSTOMER NAME:	DARRIÇK YDLANDA			•	STATUS:	BOARDED	17/05
PERTY ADDRESS:	23 STAÇ Newburgi	Y LEE DR H. Ny 12550			FOR DENIA		11703
APPLICATION NUMBER	R: 92500018	82284		3			
LOAN AMOUNT:	405,00	00.00			HMDA Denial F	Reason Code:	
TYPE OF LOAN:	MHOLĖŠLE	E			Debt to incom     Employment	ne ratio	
PURPOSE OF LOAN:	Purchase	9			<ol> <li>Credit History</li> <li>Collateral</li> </ol>	,	
OCCUPANCY:	DWNER OC	•	•		5. Insufficient ca 6. Unverifiable i	nformation	
GROȘȘ ANNUAL INCOM	AE OF APPLIC	CANT(S): $12$	8640		7, Çredit applica 8. Mortgage inst 9. Other		;
Origin:  Asian Black or A Native Ha Not Provi White CO-BORROWER:		lander I, or telephone application	Sex:	ic or <u>Lat</u> ino	ņėt, or telęphone a		
Origin; Asian  Mative Ha	Indian or Alaska No African American wajian or Pacific Isl ded in mail, internet	ander	Ethnicity;  Hispanic or  Not Hispani  Not provide  Sex:	c or Latino	net, or telephone a		<del></del>
PROCESSING	DATE	TIME	FUNDING		DATE	TIME	
Application Received:	9/16/05	7:48 a,m,	Docs Drawne		10/12/05	12:32	p.m.
r 'osures Printed;	9/16/05	8:06 a.m.	Docs Received	:		N/A	
ر ميد Report Pulled:	9/16/05	7:55 a.m.	Estimated Close	e:	10./12/05	N/A	
Promote to U Stage:	9/16/05	8:39 a.m.	Promote to FU	ŅDŧ			
PROCESSOR:	JAMIE HANCO	CK	Approval Revie	w Date:	10/17/05	N/A	
	<del></del>		Date Funded:		10/12/05	10:38	a.m.
UNDERWRITING	DATE	TIME	RECORDING	DATE:		N/A	
Loan Approved:	9/16/05	9:37 a.m.	RECORDING	<b>#</b> ;			
Loan Denied:			BOARDING D	ATE:	10/17/05	N/A	
Counter Offered:	9/16/05	N/A	FUNDER:		KRISTA MCC		
Counter Accepted:	·	N/A					
Loan Withdrawn:							
Commitment Printed:	9/29/05	3:25 p.m.					
Denial Letter Printed:		: <u>.m</u> .			•		
Counter-Offer Ltr Print:	10//1/1/05	N/A	ELAPSED T		DAYŞ	нн:у	4M
Flood Zone Ltr Print:		N/A	Time in Proce	J		0:51	.m.
Promoted to LC Stage:	9/19/05	10:44 a.m.	Time in Unde	rwrit <u>in</u> g:	2	0:58	.m.
Promoted to DOCS:	9/29/05	2:51 p.m.	Elapsed Days	in System:	25		
UNDERWRITER:	STĖVEN MOLE	NAAR					

If you have any questions, or request any changes, please contact your Account Manager SHENELLE DANIEL at \$13-425-1705. Our fax number is \$13-901-7631.

Underwriter:

Signed STEVEN PSCENAAR

\* Terms Subject to Change

JMMTA REV, 03/02/04 TG

Page 1 of 2

FREMONT

XSS-11/18/2008

### ENDRY INVESTMENT & LOAN CONDITIONAL COUNTER OF A

	COMPLYIONAL COUNTER OFFER =	
	Onte: 9/16/05 Approval Review Date: 10/16/05 Application # 926000182254	
	Source AG2 FENDING FFC Bouches: DARGICK GRINES	
	Alifi: JUHN Phone: 551-554-2401 Fex: 551-854-2801 Emonty Address: 25 STACEY LEE DR	
	Status: Approved Hendurgh, NY 12950	
	Modified k.]  Reason for Modification: APPROVED AS COUNTERED  COMPANY  COUNTERED  COUNTE	
/	Program: A-XF 2/38 FULL DOC 30/30 1ST 578 Loan Purpose: PURCHASE 1-4 UNITS	
	LOBIN AMOUNTS: \$ 405.000.00 Start Rate/Floor: 8.450 % LTV: 80.000 % Index: 6 WONTH LIBOR Margin: 8.6737 % Cellings 14.4500 % Monthly P&I payment: \$ 3,089.78	
	151 Rate Change/Cap: 24 months 2,0000% IMPOUNDS (Eserows) REQUIRED- NO	
	Regular Rate Change/Cap: 8 months 1.5000% Prepayment Penalty Term: 0 Years Window? NO Rebate to Broker: 1.500 %	
	Points (Discount) to FIL: %  LOAN CONDITIONS  PRE-DOC Conditions	
	1, ARR REVIEW APPRAISAL, APPROVED BY LENDER, TO SUPPORT A VALUE OF \$ 450,000.00	
	2. EVIDENCE OF INSURANCE (COMPANY RATED B OR BETTER IN BEST GUIDE) NAMING: FRENONT INVESTMENT & LOAN	
	3. A SXD Z DRIG APPR'LS, 1003'S, & DISCLOSURES REQU.	
	4. U AAR HUD 1A FROM RECENT REFINANCE(PRIOR MT8 SNOWING 2X30)GRADE SUB TOO	
	STHENER GENERAL ACTION OF THE GALL OF THE STREET OF THE ST	
	6. A SXQ VERBAL EMPLOYMENT VERIFICATION BY FIL.	
	7. U AAR FULLY EXECUTED PURCHASE ADDEEMENT. DNLY AMENDMENT EXECUTED,	
	8. A SXD FRELIKINARY TITLE POLICY, ED, ALTA 8.1,8/SURYEY AND PEST	
	8. AAB COPY OF ORIGINAL APRIL INVOICE SHOWING ACTUAL COST OF APPRAISAL	
	10 SEE ATTACHED APPRAISAL CONDITIONS.	
	11 TAX CERTIFICATION REQUIRED PRIDT TO DRAWING OF LOAN DOCS.	
	CLOSING Conditions	
	1 ORIGINAL, TYPED CORRECTED 1903 APPL, SIGNED & DATED BY BORROWER & INTRYWR	
	2. VERIFICATION LENDER WILL BE IN 1ST LIEN POSITION	
	3 FIL 1ST & 2ND TO CLOSE CONCURRENTLY.	
	4 CORRECTED MARKED-UP FINAL TITLE POLICY	
	5 GERTIFIED FUNDS FROM BORHOWER THAT MATCH ASSETS LISTED ON 1003.	
	8 54 MAX SELLER PAID CONCESSIONS.	
	;·	
	If you have any quastions, or request any changes, please contact your Account Kanager SHEMELLE DAMIEL 9% (3-426-1708) Our fax number is 81\$-901-7631.	
	Underwriter, Signal STEVEN HOLEHARI	
	omina aletan madelburu	

WCOMMTA REV. COURSIDE TO PROD 1 of 2 ENGINEERING TABLES

QDA-11/18/2006

FREMBNY INVESTMENT & LOAN

	CUNULTIONAL LUAN	APPHUVEL *	
	Date: 9/18/05 Print Date: 9/29/03 Approval Review Date: 10/16/05 *	Application #:	JEFF PORFIRIO 82BD00182944 DARRICK ORIHES
•	Attn: JOHN Phone: 581-884-2401 Fax: 561-864-2801  Status: Approved  Modified  Heason for Modification: APPROVEQ AS COUNTERED.	Address: 23 8" NEWBI	02221 YH . KBAU
	Program: A-XP FIXED FULL DOD 15/15 2ND 578 Loan Amount: \$ 22.500.00 Start Rate: 12.4500	Occupancy: 01 Loan Purpose: I TV; Monthly P&I pay	WHER OCCUPIED PURCHASE 1-4 UNITS
	Prepayment Penalty Term: 1 Years Window? NO  LOAN CONDITIONS  PRE-DOC Conditions	Rebale to Broke Points (Discount	r: N/A % ) to Fil: N/A %
	1 AAR REVIEW APPRAISAL, APPROVED BY LENDER, 1		VALUE OF \$ 450,000.00
	2. EVIDENCE OF INSURANCE (COMPANY RATED B	OR BETTER IN	BEST GUIDE) NAMING:
	. 3. AAR COPY OF ORYGINAL APRSL INVOICE SHOWING	ACTUAL COST I	OF APPRAISAL
	4 SEE ATTACHED APPRAISAL CONDITIONS.		
	5 TAX CERTIFICATION REQUIRED PRIOR TO DRI	AVINO OF LOAN	DOCS.
	6 FINAL TITLE POLICY TO BE INSURED BY FIR	L APPROVED CO.	•

#### CLOSING Conditions

1.	 	ORIGINAL, TYPED CORRECTED 1003 APPL, SIGNED & DATED BY BURROWER & INTRVWE
2.	 	VERIFICATION LENGER WILL BE IN 15T LIEN POSITION
З,	 	VERIFICATION LENDER WILL BE IN 2ND LIEN POSITION
		FIL 157 & 200 TO CLOSE PROPRIESTLY

If you have any quest one, or request any changes,	place contact your Account Kenage
If you have any questions, or request any changes, SHENELLE DANIEL at 513-428-1705. Our fax number	is 813-991-763] Terms Subject to Chango

WCOMMFX 10 00/02/04

Paga 1 of 2

Date: 9/16/05 Print Date: 9/16/05 Approval Review Date: 10/15/05	Account Exec: JEFF PORFIRIO  Application #: 928000182284  BOTTOWNOT(\$): DARRICK GRIMES  YOLANDA BRIMES
Bucket ACZ FENDING FFC	
n: JOHK Prop none: 551-864-2401 Fex: 561-864-2801	NEYBURGH, NY 12550
Program         A = XP         2 / 28         FULL         DOC         30 / 30         ST         A = XP         4 / 30 / 30         B = XP         A = XP <td>Property Type: 1 FAMILY  Occupancy: DYNER DCCUPIED  4500 % Lean Purpose: PURCHASE 1-4 UNITS  LTV: 90.000 %  Rebate to broker 1.500 %  Points (discount) to Fil. %</td>	Property Type: 1 FAMILY  Occupancy: DYNER DCCUPIED  4500 % Lean Purpose: PURCHASE 1-4 UNITS  LTV: 90.000 %  Rebate to broker 1.500 %  Points (discount) to Fil. %
BROKER DEMAND Please be advised increase in borrower(s) with applicable di	n jees may result in required re-disclosure to the
P REMIT TO FIL  Lender Orig. Fee \$ 0.00 + (	REPAID FINANCE CHARGES REWIT TO BROKER POO  REWIT T
Approisal Fee \$ (Paid) (Paid)	OTHER FEES TOTAL + \$ 300.00 (Coc) = 300.00 + \$ (Coc) =
Title Insurance Recording Fee	\$0.00 3,259.00
OOS BOTTOWN WANT IMPOUNDS T. NO YES, TH	Yos, provide insurance policy with this form
ENDORSEMENT TO READ: Its successors and/or ass	
- AMELIA, OH 451,02 / )	1.041/1/01
Vesting to be as follows:	res + Yolanda Girines
I Single Court	res + Yolanda Grimes exvices contact: Jessea/Krista
Vesting to be as follows:	EXVICES CONTACT: JOSSICA/Krista 851 ESCROWNO:
Vesting to be as follows:  Send Docs to:  Majertic ellement  Send Docs to:	exvices contact: Jessica/Krista
Vesting to be as follows:  Send Docs to:  Synot Address:  Synot Address:  Synot Address:  Synot Address:	EXVICES CONTACT: JESSICA / Krista  8.51 ESCROWNO: 11.000 PHONE NO: 118-1043-10511  9/28/05
Vesting to be as follows:  Send Docs to:  Syuot Address:  EMAIL Address:  I accept the terms of this ioan, request  Filt to draw documents and wire funds.  Form of Broker Disbursement:  Check Wire Funds	EXVICES CONTACT: Jessica / Krista  \$151
Vesting to be as follows:  Send Docs to:  Syuot Address:  EMAIL Address:  I accept the terms of this loan, request Filt to draw documents and wire funds.  Form of Broker Disbursement:  I you have any questions, or request any change.	EXVICES CONTACT: Jessica / Krista  \$151

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				FR	ENDNY	INVES	THENT &	LOAN	
	9/16/05				Acco	uni Exe	σ:	JEFF PORFI	RIO
Date: Print Date:						cation #		9260001823	44
Approval Re	rview Date:	10/16	/05 •			wor(s):		DARRICK	ENIMER
, approva						1		YOLANDA	GRIMES
3roker:	AC2 TENDING	LLC				1			
						1			
an:	JDRN 561-864-2401				Prone	orly Add	iress:	23 STACEY	LEE DR
Phone: Fax:	581-564-2801				1 /02			NEWBURGH,	NY 12550
rax:	301-004-2001				Prope	orly Typ	xo;	1 FAMILY	
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						1	OTHER	FEES	TOTAL
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									r Agrount Wanager
If yo	g pass and do	estion	5, OF F6	duest	any ci	30018	, please	B CONT#CT YOU S-901-7531.	r Account Manager

Page 2 of 2 Terms Subject to Change FREMONT

Date: 9/16/05 Print Date: 9/16/05 Approval Review Date: 10/16/05	Account Exec: JEFF PORFIRID Application #: 928000182284 Borrower(s): DARRICK GRIMES YOLANDA GRIMES
roker: WCS LENDING LLC	
Attn: JOHN Property Ad Phone: 561-864-2401 Fax: 561-864-2801	ddress: 23 STACEY LEE OR
Program         A-XP         2/28         FULL         DDC         30/30         1ST           Loan Amount         405,000.00         Start Hate/Floor:         8.450         %           Index:         6         MONTH         LIBOR         Margin         6.6737         %         Ceiling         14.4500         %           1st Rate Change/Cap:         24         months         2.0000         %           Regular Rate Change/Cap:         6         months         1.5000         %           Prepayment Penalty Term:         0         Years         Window?         N0	Property Type: 1 FAMILY Occupancy: 0WNER OCCUPIED Loan Purpose: PURCHASE 1-4 UNITS LTV: 90.000 % Rebate to broker 1.500 % Points (discount) to FIL %
BROKER DEMAND  Please be advised increase in fees m borrower(s) with applicable delays in	nay result in required re-disclosure to the document delivery.
	HID-1 Please stress to the excrow/closing
Appraisal Fee \$ (Paid) + \$ (Paid) + \$	OTHER FEES TOTAL  300.00 (Due) = 300.00  (Due) =
Title Insurance Recording Fee	3,259.00 50.00
LENDER'S LOSS PAYABLE FREMONT INVESTMENT & LOAN ENDORSEMENT TO READ: Its successors and/or assigns P.O. BOX 658	provide insurance policy with this form
Vesting to be as follows:  ON YICK TYINGS  Send Docs to:  Street Address:  EMAIL Address:  MIRATE IA. OH 45102  ON IN TENNANT   Les contact: Jessica/Krista Les contact: Jessica/Les conta	
I accept the terms of this loan, request FIL to draw documents and wire funds.  Broker Signature	9/28/05
Form of Broker Disbursement: Check Wire Funds to Clos	sing Agent Wiree to Broker Account

If you have any questions, or request any changes, please contact your Account Manager SHENELLE DANIEL at 813-426-1705. Our fax number is 813-901-7631.

JMMTB REV. XMM 11/18/04

Page 2 of 2

\* Terms Subject to Change

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Print Date:			• 0 / • 0	/05 •			wor(s):			BRINES	
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Phone:	351-864	-2401				Prope	orfy Add	ress:	23 STACEY	LEE OR	_
Fax:	581-864	-2801					1		NEWBURGH,	NY 1265	0
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I accept the	terms of	this loan	, reque	st	177	11	10			0	100/1
FIL to draw	documen	is and w	ire fun	ds, _	X/Y	1/ [	455			7/	01/11
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Form of B	roker Dis	burseme	int:	☐ Chec	k 🗀 v	Vire Fu	រាំជន ខេ	Closing Ag	jent 🔲 '	Wire to Br	oker Account
										r Accou	nt Wansonr
II YO SHEN	ELLE DA	NIEF 3: Suà du	stio t 313	ns. or r -428-170	aquest 8, Du	any c	unspe	r is 813	contact you -801-7631.	,, AGEUU	namyy y

Pege 2 of 2 Terms Subject to Change FREMONT

Date:

Document DARRICK GRIMES 6/2008

Page 10 of 13

Address: 2727 EAST IMPERIAL HIGHWAY BREA, CA 92821

September 16, 2005 Property Address; 23 STACEY LEE DR

Application Number: 926000182284 NEWBURGH, NY 12550

#### GOOD FAITH ESTIMATE OF SETTLEMENT CHARGES

information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates - the actual charges may be more or less. Your transaction may not involve a fee for every item listed. Interest, late charges and prepayment penalties, if any, shall be governed by Federal and California law. If your loan is prepaid within the next 3 years, it may be subject to a prepayment penalty. If your loan is prepaid, the loan fees or other similar charges will not be subject to any refund.

The numbers listed beside the estimates penerally correspond to the numbered lines contained in the HIID.) settlement statement which you will be

The num	nbers listed beside the estimates generally correspond to the number at settlement, The HUD-1 settlement statement will show you the actual	ered lines conta I cost for items p	nined in the HUI paid at settlement.	D-1 şettlement ştatê	ment which you will be
Ref. HUD-! Statement	Amount paid on your account:				
1000'-	Hazard Insurance Premium Reserves		mo @\$	s s	
1000's			mo @\$		
1000'ş	Flood Insurance Premium Reserves		-	•	j
1000's	Tax & Assessment Reserves		mo @3	468.75 \$	
	Amount paid to others on your behalf:			PAID	DUE
800's	Appraisal Fees to Appraiser				300,00
800's	reprintation to reprint				333,134
800's					
		_			4 250 20
900's	Hazard Insurance Premiums to Insurar				1,350.00
900's	Flood Insurance Premiums to Insurance	e Agency			
1100's					
	Notary Fee to:				
1100's	Title Insurançe Premiums to: Title	Çompany			3,259.00
1200'ş	Filing Fees to Public Officials/ Recordi				50.00
		Ų			
	Loan Proceeds to: Title Compan	γ		\$	392,047.18
	\	•			, ,
	AMOUNT FINANCED			S	395,656.18
	Prepaid Finance Charge			\$	9,343.82
	Itemization of Prepaid Finance Charge:	LENDER	" PDOVED		
	reinization of Inglate I maice Charge.	FEMOLU	BROKER	POC	
	Lender Origination Fee (%)	0.00		LOAN	
		4.00	- 00- 00	AMOUN	NT \$ 405,000.00
٤			5,265.00	·   `	•
800's	Loan Discount ( %)		1	These es	timates are
800,è	Prepaid Interest (16 Days)			provide	d pursuant to the
900'ş	@ \$ 88,77 per day	1,420.32		Real Est	late Settlement
800's	Underwriting Fee	894.00		Procedu	res Act of 1974, as
1100's	Escrow/Closing Agent Fee	1,695.00	l	amende	d (RESPA).
800's	Credit Reporting Fees	]		1	al information can
800's	organy mapping rolog	1		1	in the HUD
000 3	Application Fee	0.00			Information
	Doc Prep Fee	0.00			
	Tax Service Fee -LandAmerica Tax and Flood Services				which is to be
0001				1.	d to you by your
800's	Wire Fee	0,00	1		e broker or
800's	Flood Cert Fee -LandAmerica Tax and Flood Services	9,50		lender.	
800's	Processing Fee	0.00			
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800's		1		X	All Disclosures
800's			}		are estimates
				<u> </u>	Broker Yield
	Prepaid Finance Charge	4.078.82	5,265.00	<u>F</u>	Spread Premium:
	Total Prepaid Finance Charge	9,34		n_39	of Loan Amount
				<del>===</del>	
THIS SE	ECTION TO BE COMPLETED BY LENDER O	NLY IF PA	ARTIÇULAR	PROVIDER	OF SERVICE IS
REQUIR	ED. Use of the particular provider is required and the estimate	is based on cha	rges of the provi	der.	•
ITEM	NAME & ADDRESS OF PROVIDE	R TELEPI	IONE NO.	NATURE OF	RELATIONSHIP
Tax Service	e Contract LandAmerica Tax and Flood Services	(80 <u>0</u> ) 537	-3821	Lender has repea	itedly used or
and	1123 S. Parkyjew Dr.	(000) 151	~~±!	redrifted portows	–
	e Certification Coyina, CA 91724			services of this p	
ither you	nor the creditor previously has become obligated to make or accept	this loan, nor	is any such oblig	gation made by the	delivery or signing of th

Neither you nor the creditor previously has become obligated to make or accept this loan, nor is any such obligation made by the delivery or signing of this disclosure. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable the "Gonsumer Handbook on Adjustable Rate Mortgages", and a copy of this disclosure.

Appli	DARRICK	GRIMES	Date	Applicant	YOLANDA	GRIMES	·- <u></u>	Date
Applicant	<del>, </del>	<del></del>	Date	Applicant			<u></u>	Date

Document 1 - YOLAND Files 106/2008

Page 11 of 13

Address:

Date:

BREA, CA 92821

Application Number: 926000182284

Öçtober 11, 2005

Property Address: 23 STACEY LEE DR

NEWBURGH, NY 12550

#### GOOD FAITH ESTIMATE OF SETTLEMENT CHARGES

ormation provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates - the actual charges may be more or less. Your transaction may not involve a fee for every item listed. Interest, late charges and prepayment penalties, if any, shall be governed by Federal and California law. If your loan is prepaid within the next 3 years, it may be subject to a prepayment penalty. If your loan is prepaid, the loan fees or other similar charges will not be subject to any refund.

The num	thers listed beside the estimates generally correspond to the numb at settlement. The HUD-1 settlement statement will show you the actual	ered lines control	ained in the HUD-	settlement states	ment which you will be
Ref. HUD-1					
Statement	Amount paid on your account:				
1000's	Hazard Insurance Premium Reserves		mo @\$	\$	
1000's	Flood Insurance Premium Reserves		mo @\$	\$	
1000,2	Tax & Assessment Reserves		•	420.85 \$	
2001-	Amount paid to others on your behalf:			PAID	DŲE
800's	Appraisal Fees to Appraiser				300.00
800's					
800's					
900's	Hazard Insurance Premiums to Insuran	nce Agency			1,350.00
900²s	Flood Insurance Premiums to Insurance	e Agency			
1100's					
1100's	Notary Fee to:				
1200's	Fitle Insurance Premiums to: MAJES		EMENT SERVI	\$	3,259.00
1200 3	Filing Fees to Public Officials/ Recordi	ing Fees			50.00
	Loan Proceeds to: MAJESTIC SET  AMOUNT FINANCED  Prepaid Finance Charge			\$ \$ \$	391,473.54 395,082.54 9,917.46
	Itemization of Prepaid Finance Charge:	LENDER	BROKER PO	iĊ	
	Lender Origination Fee (%)	0.00		LOAN	
80L	Broker FEE ( %)		4,050.00	AMOUN	T \$ 405,000.00
800's	Loan Discount	1	4,030.00	<b>70.</b>	•
800's	Prepaid Interest &1 Days)	1			imates are
900's	@ \$ 93.76 per day	1,968,96			pursuant to the
	Underwriting Fee	894.00		1.5	ate Settlement
800's	Escrow/Closing Agent Fee			1.	es Act of 1974, as
1100's	,	1,695.00		· · · · · · · · · · · · · · · · · · ·	(RESPA).
800's	Credit Reporting Fees			1	al information can
800's	Application Fee	0.00	205 00	, <del></del> .	in the HUD
	Doc Prep Fee	0.00	295.00	{* *	nformation
	Tax Service Fee -LandAmerica Tax and Flood Services	60.00			which is to be
800's	Wire Fee	0.00			to you by your
800's	Flood Cert Fee -LandAmerica Tax and Flood Services	9.50			broker or
2002	Programme Com	3.30		lender.	

Total Prepaid Finance Charge 0-3% of Loan Amount 9,917.46 THIS SECTION TO BE COMPLETED BY LENDER ONLY IF PARTICULAR PROVIDER OF SERVICE IS REQUIRED. Use of the particular provider is required and the estimate is based on charges of the provider. ITEM NAME & ADDRESS OF PROVIDER

Tax Şervice Contract and

800's

800'ş 800's

800's

LandAmerica Tax and Flood Services

(800) 537-3821

TELEPHONE NO.

4,627.46 5,290.00

0.00

945.00

NATURE OF RELATIONSHIP

All Disclosures

Spread Prengum:

are estimates Broker Yield

1123 S. Parkview Dr. Flood Zone Certification Covina, CA 91724

. . . . .

Prepaid Finance Charge

Processing Fee

Lender has repeatedly used or required borrowers to use the services of this provider.

X

either you nor the creditor previously has become obligated to make or accept this loan, nor is any such obligation made by the delivery or signing of this isclosure. The undersigned seknowledges receipt of the hooklet "Settlement Costs," and if applicable the "Consumer Handbook on Adjustable Rate fortgagess, and a copy of this disclosure.

pplican'	RRICK	GRIMES	Date	Applicant	YOLANDA	GRIMES	Date
pplicant	<del></del>		Date	Applicant	<del></del>		Date

A. Settlement Statement N	w-01024IGK	Down Preparent	Susing and Urlan Deve	<u> </u>
B. Type of Loan 1. FHA 2. FmHA 3. Conv. Uni	ins. 4.□ VA 5. □ Çonv	6. File Number PA005:-4023	7. Loan Number 92600018 <u>228</u> 4	8. Mortgage,Insurance Case No.
C. Note: This form is furnished to give you a statement of the closing: they are shown here for informational purpose			gent are shown. Items marked	P.O.C. were paid outside
D.Nam 1 Addréss of Borrower: Darr 2 & Yolanda Grimes 188- 3/5 St. Alb. 2/7 [14]2	E. Name and Address of Sel Ronald J Cohen & Ann Eve 23 Stucy Lee Drive Newburgh, NY 12550	Ġoḥen	der:	
G. Property Location: 23 Stacy Lee Orive Newburgh, NY 12550	H. Settlement Agent: Majestic Şettlement Service: 55 Washington Street, Suite Brooklyn, NY 11201	s 1 Y N	ACCEPTED BY FREMONT	I. Settlement Date 10/12/2005
J. Summary of Borrower's Transaction		K. Summary of Seller's Tr	ausactions	
100. Gross Amount Due From Borrower		400. Gross Amount Due to	o Seller	
101. Contract Sales Price	450,000.00	401. Contract Sales Price		450,000.00
102. Personal Property	7701587	402. Personal Property		
103. Settlement Charges to Borrower (line 1400)	22,915.82	403.		
104. Payoff to Wilshire Credit Corporation		404.	-3.	
105. PayotT to		405.		
Adjustments for items paid by seller in advance		Adjustments for items	paid by seller in advance	
106. City/town taxes 1/1 to 12/31	458.03	406. City/town taxes	1/1 to 12/31	458.03
107. County Faxes to		407. County Taxes	ţō	•
108. Assessments to		408. Assessments	lo	
109. School Taxes to		409. School Taxes	to	
I 10, Fuel Oil	1567:50	410. Fuel Oil		1367:50
III. Propane	604,20	4.1.1. Propane		\$04:20
112. Pool Closing	500.00	412. Pool Closing		-500:00-
120. Gross Amount Duc From Borrower	476,045.55	420. Gross Amount Due t	o <u>Selle</u> r	453,129.73
200. A ts Paid By Or In Behalf Of Borrower		500. Reductions in Amoun	nts Due To Seller	
201. or earnest money	20,000;00	501. Excess deposit (see ins	structions)	
202. Principal amount of new loan(s)	-405;000.00	502. Settlement charges to s		27.850.00
203. Existing loan(s) taken subject to		503. Existing loan(s) taken	<del></del>	
204. Borrowers Credit		504. Payoff ABN AMRO		250,000.00
205. 2n Loan Proceeds	21,266,88 <del></del>	505. Payoff Chase Bank On	id.	164:451.16
206. Early Closing	-3:000:00	506. Deposit		20,000.00 —
207, Seller's Concession	13.200:00	507. Early Closing		Ĩ:óóo:00 —
208.	· · · · · · · · · · · · · · · · · · ·	508. Seller's Concession		-13.500.00
209.	,	509.		
Adjustments for items unpaid by sellers		Adjustments for iten	ns unpaid by sellers	
210. Cityrtown taxes to		510. City/town taxes	to	
211. County Taxes to	<del> </del>	511. County Taxes	įo	
217. Assessments to	Landa	512. Assessments	to	
213. School Taxes 7/1 to 6/30	1501:97	513. School Taxes 7/1	to 6/30	1501.97
214. Maintenance	11.96	514, Mainemance Fee		11.96
215,		\$15.		<del>,                                    </del>
216.	<del> </del>	<u>5</u> 16.		
217.		517.		
218.		518.	·	
220. Total Paid By/For Borrower	464,580,31	520. Total Reduction Amo	ount Due Seller	480;315:09
300. Cash At Settlement From/To Borrower		600. Cash At Settlement To		
301. C Juni due from borrower (line 120)	47.6,045,55	601, Gross Amount due to s		45,5,129.73
302. Less amounts paid by/for borrower (line 220)	464,280,81	<del></del>	·	480.315.09
53.	11:तहन.74	602. Less reductions in amt.		27,185.36
303, Cash SFrom To Borrower tials: Borrower Borrower		303, Cash ⊠Ţo □	From Seller	<u> </u>

Case 1:08-cv-01024-JGK Decument	11-7 Filed (	<del>36/16/2008 -</del>
700. TOTAL SALES BROKER'S COMMISSION Based on Price S (4)	PAID FROM	PAID FROM
701. \$ 10,800,00 to Eusy Lifestyle	BORROWER'S	SELLER'S FUNDS
702, \$ 15,120,00 to Century 21 Anaromo	FUNDŞ AT SETTLEMENT	AT SETTLEMENT
703. Commission paid at settlement		25,920.00
800. PAYABLE IN CONNECTION WITH LOAN:		<u> </u>
801. Underwriting Fee to Fremont Investment & Loan	894.00	1
802. Mortgage Bipker Fee to WCS Lending	4.050.00	/
803. Application fee to WCS Lending	295.00	prof.
804. Approisal Ecc to POC (5300.00)		
805. Flood Certification Ree paid to Land America Tax and Flood Services	9,50	
800. Tax Service Fee to Land America Tax and Flood Services	60.00	
	<del></del>	
307. YSP to WCS Lending from Fremont Investment & Loan POC (56,075,00)	945,00	
808. Processing fee to WCS Lending		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE:	1.875.20 // -	,
901. Interest from 10-12-05 to 11-01.05 (4593.76 day	1,873.40	
902. Hazard insurance premium for months, To Allstate POC 1.383,00		
903. Flood insurance premium for yrs. To		
904. Aggregate Adjustment		
1000. RESERVES DEPOSITED WITH LENDER:		
1001. Hazard insurance 4 months @ \$115,25 per month	- 461.06	
1002. Mouthaké juanuance inoutpe (il 2 bei wootp		
1003, City property tax 12 months @ \$172:00 per month	3'0è-î'ôô	
1004. Town Village property tax aponths (a) S per month		
1005. Flood insurance months (gr S per month		
1006. School tax 6 months @\$ 420.85 per month	2,525.10	
1007, School Tax months (ig S per month		
1008. Adjustinent	(2,7]8,94)	
1100 CHARGES:	1-12-1	
1101. Courier Eee Wire to Majestic Şettlement Services	125.00	
1102. Anomey Fee to Majestic Settlement Services Inc	RSQ.00	<del></del> .
1103. Escrow Service Fee to		
	812:00-	
1104. New Survey Inspection	524.86	Sec. 11
1105, Owner's Coverage to Perfect Abstract 2,2300.00	2,234.00	
1107. Fed Ex and Courier Fee to	100,00-	
1108. Epdorsements to Perfect Abstract	\$40.00	<u> </u>
1707. Multicipal Scapitics to Ferred Assiract		
1110. Continuation Charge and Glearance fee to		
1300. GOVERNEMNT REGORDING AND TRANSFER CHARGES:		
1201, Recording fees: Qeed \$ 150,00 Montpage \$ 175 Releases \$ 130	325.00	130.00
1202. City/ county lax/stamps; Deed \$ Montage \$		
1203. State tax stainips: Deed S Montagge S (1/4 pt lender POC \$1012.50 )	3210.00	1.800.00
1204. RP 5217		
1300. ADDITIONAL SETTLEMENT CHARGES:		· · · · · · · · · · · · · · · · · · ·
1301. Travel Fee to Majestic Settlement Services	100.00	<del></del>
JO2. Tokes to Perfect Abstract	3,566.08	
301.		
.104.	·····	
305,		
:106,	1	
306.		. <u>.                                   </u>
307.	22.915.82	27,850,00

## **Exhibit E**

## SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF ORANGE

-X Index No.: 2006-10714

US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTER ASSET BACKED SECURITIES TRUST 2006-FRE1,

Plaintiff,

AMENDED ANSWER

-against-

DARRICK GRIMES, YOLANDA GRIMES, BENEFICIAL HOMEOWNER SERVICE CORPORATION; "JOHN DOES" and "JANE DOES", said names being fictitious, parties intended being possible tenants or occupants of premises, and corporations, other entities or persons who claim, or may claim, a lien against the premises,

Defendants.

Defendants, DARRICK GRIMES and YOLANDA GRIMES, as and for their Verified Answer, by their attorneys, BONACIC, KRAHULIK & ASSOCIATES, LLP, respectfully allege upon information and belief, as follows:

- 1. Denies knowledge and information sufficient to form a belief as to each allegation contained in paragraph "1" of the verified complaint.
- 2. Admits the allegations contained in paragraph "2" of the verified complaint.
- 3. Admits the allegations contained in paragraph "3" of the verified complaint to the extent that it is alleged that the Defendants signed a promissory note, but denies knowledge and information sufficient to form a belief as to the remaining allegations therein.

alargaetiigalla t

- 4. Admits the allegation contained in paragraph "4" of the verified complaint to the extent that it is alleged that the Defendants signed a mortgage, but denies knowledge or information sufficient to form a belief as to the remaining allegations therein.
- 5. Denies the allegations contained in paragraph "5" of the verified complaint.
- 6. Denies each and every allegation contained in paragraphs "7", "8", "9", "10", "11" and "12" of the verified complaint.
- 7. Denies knowledge and information sufficient to form a belief as to each allegation contained in paragraphs "14", "15" and "16" of the verified complaint.

## <u>AS AND FOR A FIRST AFFIRMATIVE DEFENSE</u>

8. Defendants, Darrick and Yolanda Grimes, suffered damages due to the fraud and misrepresentation in the inducement of a mortgage given by Plaintiff, or its agents.

WHEREFORE, Defendants demand judgment against Plaintiff:

- (a) dismissing the complaint;
- (b) awarding Defendants attorneys' fees, costs and disbursements of this action; and
- (c) awarding Defendants such other and further relief that this Court may deem just and proper.

Dated: Middletown, New York July 9, 2007

> ARIANA J. ANTONELLI, ESQ. BONACIC, KRAHULIK & ASSOCIATES, LLP 90 Crystal Run Road, Suite 104

Middletown, New York 10941 (845) 703-3101

TO: ROSICKI, ROSICKI & ASSOCIATES, P.C. Attorneys for Plaintiff
51 E. Bethpage Road
Plainview, New York 11803
(516) 741-2585

CC: McCABE, WEISBERG & CONWAY, P.C. Attorneys for Co-Defendant BENEFICIAL HOMEOWNER SERVICE CORP. 53 West 36<sup>th</sup> Street, Suite 205 New York, New York 10018 (917) 351-1188 

# Exhibit F

Case 1:08-cv-01024-JGK Document 21-9

Filed 06/16/2008 Page 2 of 44 845 703 3110 BONACIC KRAHULIK

JUN-06-2007 16:15 Jan. 12. 2007. 3:43PM

No. 6079

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF ORANGE

US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTR ASSET BACKED SECURITIES TRUST 2006-FRB1.

Index No.:

12/26/06. D/O/F:

Plaintiff.

VERIFIED COMPLAINT

-egainst-

DARRICK GRIMES; YOLANDA GRIMES; BENEFICIAL HOMIOWNER SERVICE CORPORATION: "JOHN DOES" and "JANE DOES", said names being fictitious, parties intended being possible tenants or occupants of premises, and corporations, other entities or persons who claim, or may claim, a lien against the premises,

#### Defendants.

Plaintiff, by its attorney, ROSICKI, ROSICKI & ASSOCIATES, P.C., complaining of the Defendant(s) alleges, upon information and belief as follows:

- At all times hereinafter mentioned, plaintiff US BANK NATIONAL ASSOCIATION, AS TRUSTBE FOR MASTR ASSET BACKED SECURITIES TRUST 2006. FREI was and still is duly organized and existing under the laws of the State of South Carolina.
- At all times hereinafter mentioned, the defendants were, and still are, residents, corporations and/or bodies politics, duly authorized to reside and/or exist in and under the laws of New York State.
- On or about October 12, 2005, DARRICK GRIMES; YOLANDA GRIMES executed and delivered to Fremont Investment & Loan, a certain note bearing date that day, whereby DARRICK GRIMES; YOLANDA GRIMES covenanted and agreed to pay the sum of \$405,000.00, which sum, with interest on the unpaid balance thereof, to be computed from the date of said note, at a rate variable in accordance with the aforesaid instrument, with the initial rate being 8.450 percent per annum, or such other adjusted rate as provided for in said agreement, by payments of \$3,099.76 on December 1, 2005 and thereafter in payments of \$3,099.76 on the like date of each subsequent month subject to change in accordance with changes in interest rate, until said note is fully paid, except that the final payment of principal and interest remaining due, if not sooner paid, shall become due and payable on November 1, 2035.
- As collateral security for the payment of said indebtedness, the aforesaid defendant(s) DARRICK GRIMES; YOLANDA GRIMES, also executed, acknowledged and delivered to Fremont Investment & Loan, a mortgage dated October 12, 2005 and recorded in the

BONACIC KRAHULIK

Jan. 12. 200/ 3:43PM

JUN-06-2007

No. 6079 P.

County of Orange on December 6, 2005 in Liber/Reel 12012 of Mortgages, at page 378. The moxgage tax was duly paid. The aforesaid instruments were assigned to Plaintiff by assignments(s). Plaintiff is still the owner and holder of the aforementioned instrument(s).

Said mortgaged premises being known as and by street address:

23 Stacy Lee Drive, Newburgh, NY 12550, bearing tax map designation:

Section: 106 Block: 2 Lot(a): 4.2

which premises are more fully described in Schedule "A," annexed hereto and made a part hereof.

- Said premises are subject to covenants, restrictions, easements of record, prior morigages and liens, and amendments thereto, if any; to any state of facts an accurate survey may show; railroad consents and sewer agreements, and to utility agreements, municipal and governmental zoning, rules, regulations and ordinances, if any.
  - The total monthly payment due as of default date to plaintiff is \$3,807.87. ્ 6.
- That the Mortgagors, their successors, assigns and/or transferees, have failed to comply with the terms and conditions of said above named instrument[s] by failing or omitting to pay the installment which became due and payable as of August 1, 2006 and also by failing or omitting to pay the installment which became due and payable each and every month thereafter, to the date hereof, although duly demanded.
- That the terms of the above described instruments provide: (1) that the whole of said principal sum and interest shall become due at the option of the Mortgagee after default in the payment of any installment of principal or of interest; (2) that upon any default the Mortgagor will pay to the Mortgagee any sums paid for taxes, charges, assessments, and insurance premiums upon said mortgaged premises; (3) that in case of sale under foreclosure, the premises may be sold in one parcel.
- Pursuant to the terms of said instrument[s] notice of default has been duly given to the defendants if required, and the period to cure, if any, has elapsed and by reason thereof, Plaintiff has elected and hereby elects to declare immediately due and payable the entire unpaid balance of principal.
- That the balance of principal due upon said note and mortgage as of the date of said default and as of the time of this Complaint is \$402,967.36 plus interest from July 1, 2006.
- 11. That in order to protect its security, plaintiff may be compelled during the pendency of this action to make repairs to, board, secure, protect and maintain the premises, to pay taxes, assessments, water rates, sewer rentals, insurance premiums, mortgage insurance premiums, if there be any, and other charges affecting the premises, and the plaintiff requests that any sum so paid be added to the sum otherwise due, with interest as provided in the

Jan. 12. 2007 3:43PM

No. 6079 P. 6

aforesid instruments, and be deemed secured by said instrument[s] and adjudged a valid lien on the prenises hereinabove described.

- That the plaintiff requests that in the event this action proceeds to Judgment of Foreclasure and Sale, said premises be sold subject to covenants, restrictions and easements, prior mortgages and liens, and amendments, if any, of record; any state of facts an accurate surveymay show; restrictions, regulations, ordinances and zoning ordinances of any municipal or governmental authority having jurisdiction thereof; and municipal, departmental and other governmental violations, if any, affecting the premises; and real estate taxes, sewer rents, water charge, if any, open of record
- That no other action has been commenced at law or otherwise for the recovery of 13. the sun or any part thereof secured by the said instrument[s].
- That the defendants all have or claim to have some interest in or lien[s] upon the said mortgaged premises, or some part thereof, which interest or lien[s], if any, has [have] accused subsequently to the lien[s] of the said mortgage[s] or was in express terms or by law made subject thereto, or has [have] been duly subordinated thereunto.
- That the defendants "JOHN DOES" and "JANE DOES" may be tenants or may be in possession of the aforementioned premises, or may be corporations, other entities or persons who claim, or may claim, a lien against the premises.
- That the basis for naming any political subdivision, governmental agency or similar body, or the holder of a security interest in personal property, if any, is set forth as Exhibit "B".

WHEREFORE, plaintiff demands judgment that the defendants and all persons claiming under them subsequent to the filing of the Notice of Pendency of this action in the County of Orange may be forever barred and foreclosed from all right, title, claim, lien and equity of redemption in said mortgaged premises, and each and every part thereof, except the right of the United States of America and its political subdivision, if it or they be a party to this action, to redeem as provided for in the applicable laws; that the said premises may be decreed to be sold according to law; that the amount of principal due the plaintiff on said note and mortgage may be adjudged in the sum of \$402,967.36 plus interest from July 1, 2006, and that from the money arising from the sale, plaintiff be paid the amount of \$402,967.36 principal due it on said note and mortgage with interest and late charges that may be due and owing to the time of such payment plus the expenses of sale and the costs and expenses of this action, together with any sum which may be paid by the plaintiff for repairs to, boarding, securing, protecting and maintaining the premises, taxes, charges, assessments and insurance premiums upon said mortgaged premises, with appropriate interest thereon so far as such moneys properly applicable

JUN-06-2007 16:16 Jan. 12. 2007 1:44 PM BONACIC KRAHULIK

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845 703 3110 P.18 No.60/9 Y. /

themto will pay the same; that the defendants DARRICK GRIMES; YOLANDA GRIMES be adjudged to pay any deficiency which may remain; that a Receiver, upon plaintiffs application themfore, be forthwith appointed for said mortgaged premises for the benefit of the plaintiff, with all powers of receivers in such actions, and that the plaintiff have such other and further relief as may be just and proper in the premises, together with attorney's fees, costs and disbursements of this action.

Dated: December 21, 2006 Fishkill, New York

Daniel Wade, Esq.

ROSICKI, ROSICKI & ASSOCIATES, P.C.

Attorneys for Plaintiff
2 Summit Court, Suite 301
Fishkill, NY 12524
(845) 897-1600

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845 703 3110 P.: No.60/9 P. 8

### Schedule A

Title Number: 06-052358

ALL THAT PIECE, OR PARCEL OF LAND, situate, lying and being in the Town of Newburgh, County of Orange, State of New York, being designated as Lot Number 11 on a map entitled, Subdivision Plan Lands of Parcel Development Corp. dated May 20, 1986, filled in the Orange County Clerk's Office on June 23, 1986 as Map Number 7681, being more particularly bounded and described as follows:

BEGINNING at a point in the southwesterly line of the existing Stacy Lee Drive, a 60 foot right-of-way and private road, said point being North 67 degrees 37 minutes West, 440.00 feet from the intersection of the said southwesterly line of Stacy Lee Drive with the westerly line of the existing Frozen Ridge Road, said point also being on the division line between Lot Number 12, of the above mentioned filed map, on the east and the Lot Number 11, herein described on the west;

TRENCE along the last mentioned division line, South 22 degrees 23 minutes West, 238.39 feet to a point on the division line between the lands now or formerly of Frozen Ridge Acres on the south and Lot Number 11 herein described on the north;

THENCE along the last mentioned line, North 72 degrees 40 minutes West, 301.17 feet to a point on the division line between Lot Number 10, of the above mentioned filed map, on the west and Lot Number 11 herein described on the east;

THENCE along the last mentioned division line, North 22 degrees 23 minutes East, 264.90 feet to a point in the aforementioned southwesterly line of Stacy Lee Drive;

THENCE along the last mentioned division line, South 67 degrees 37 minutes East, 300.00 feet to the point or place of BEGINNING.

TOGETHER WITH, along with others, the right of ingress and egress, as well as the right to place utilities over a 60 foot right-of-way, known as Stacy Lee Drive, a private road as shown on the aforementioned filed Map Number 7681.

Section: 106 Block: 2 Let: 4.2

JUN-06-2007 16:16 BONACIC KRAHULIK Jan. 12. 2007 3:44PM Filed 06/16/2008 Page 7 of 44 845 703 3110 P.20

No. 6079 P. 9

## ATTORNEY'S VERIFICATION

STATE OF NEW YORK	)	
COUNTY OF DUTCHESS		88

Daniel Wade, Esq., the undersigned, an attorney duly admitted to practice law before the Courts of the State of New York, affirms under the penalty of perjury:

That (s)he is an associate of ROSICKI, ROSICKI & ASSOCIATES, P.C., attorney of record for plaintiff in the above entitled action; that (s)he has read the foregoing Summons and Complaint and knows the contents thereof, that the same is true to affiant's knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters (s)he believes it to be true.

The reason that this verification is made by the undersigned and not by plaintiff is because plaintiff maintains its principal place of business outside Dutchess County; that being the County in which your affiant maintains an office for the practice of law.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are based upon the records of plaintiff in deponent's possession.

Dated: December 21, 2006 Fishkill, New York

Daniel Wade, Esq.

- Jan. 12. 200/ 3:44PM

No. 6079 P. 10

Inda No.:

SURREME COURT OF THE STATE OF NEW YORK COUNTY OF ORANGE

US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTR ASSET BACKED SECURITIES TRUST 2006-FRE1,

Plaintiff,

-against-

DARRICK GRIMES; YOLANDA GRIMES, et al.,

Defendants.

## SUMMONS AND VERIFIED COMPLAINT

ROSICKI, ROSICKI & ASSOCIATES, P.C.

Attorneys for Plaintiff 2 Summit Court, Suite 301 Fishkill, NY 12524 (845) 897-1600 (845) 897-2648 RR&A #: 06-052332

Case 1:08-cv-01024-JGK Document 21-9 Filed 06/16/2008 Page 9 of 44
107 16:16 BONACIC KRAHULIK 845 703 3110 P.22 JUN-06-2007 16:16 BONACIC KRAHULIK

BONACIC KRAHULIK

845 703 3110

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF ORANGE

\_\_\_\_X Index No.: 2006-10714

US BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR MASTER ASSET BACKED SECURITES TRUST 2006-FRE1,

Plaintiff,

VERIFIED ANSWER

-against-

DARRICK GRIMES, YOLANDA GRIMES, BENECIRICAL HOMEWONER SERVICE CORPORATION, Defendants.

Defendants, DARRICK GRIMES and YOLANDA GRIMES, as and for its Verified Answer, by its attorneys, BONACIC, LoBIONDO & KRAHULIK, LLP, respectfully alleges upon information and belief, as follows:

- Denies knowledge or information sufficient to form a belief as to each 1. allegation contained in paragraphs "1" of the Verified Complaint,
- Admits the allegations contained in paragraph "2" of the Verified 2. Complaint.
  - Admits the allegation contained in paragraph "3" of the Verified 3. Complaint to the extent that it is alleged that the Defendants signed a promissory note, but denies knowledge or information sufficient to form a belief as to the remaining allegations therein.
  - Admits the allegation contained in paragraph "4" of the Verified 4. Complaint to the extent that it is alleged that the Defendants signed a mortgage, but denies knowledge or information sufficient to form a belief is to the remaining allegations therein.
  - Denies the allegation contained in paragraph "5" of the Verified 5. Complaint.

- 845 703 3110 P.2
- 6. Denies each and every allegation contained in paragraphs "7", "8", "9", "10", "11", "12", of the Verified Complaint.
  - 7. Denies knowledge or information sufficient to form a belief as to each allegation contained in paragraphs "14", "15 and "16" of the Verified Complaint.

WHEREFORE, Defendant demands judgment against Plaintiff;

- (a) dismissing the Complaint;
- (b) awarding Defendant the attorneys' fees, costs and disbursements of this action; and
  - (c) awarding Defendant such other and further relief that this Court may deem

just and proper.

Dated: Warwick, New York January 16, 2007

ROBERT E, KRAHULIK, ESQ. BONACIC, LoBIONDO & KRAHULIK, LLP

Attorneys for Defendant

90 Crystal Run Road, Suite 104 Middletown, New York 10941

(845) 703-3100

TO: Daniel Wade, Esq.
Rosicki, Rosicki & Associates, P.C.
Attorneys for Plaintiff
2 Summit Court, Suite 301
Fishkill, New York 12524

JUN-06-2007 16:17

BONACIC KRAHULIK

845 703 3110 P

STATE OF NEW YORK)

SS:

COUNTY OF ORANGE)

Darrick Grimes, being duly sworn, says:

I am the defendant in the action herein; I have read the annexed Verified Answer, know the contents thereof, and the same are true to my knowledge, except those matters therein which are stated to be alleged on information and belief and as to those matters, I believe them to be true.

Darrick Grimes

Sworn to before me on January 16, 2007.

Notary Public

Victor Guzman, Esq. 02GU8011244 Orange County Notary Public Expires August, 2010

	TUN-06	CETILLY MAI THE ARMEXED	BONACIC KRA			2008 Page 1 845 703 3110	3 of 44 P.26
	lorney's	has been compared by me with	original and for	and to be a true and con	iplete copyof.		
		say that: I am the attorney of record	. I have read th	ie annexed to my knowledge, exce	or those matters therein w	hich are stated to be a	lleged on informatio
	rification	and belief, and as to those knowledge, is based upon the follo	matters I be	lieve them to be tr	rue. My belief, as to	those matters there	n not stated upo
		The reason I make this affirmation	instead of		is		
	firm tha	at the foregoing statements are true	under penalties	of perjury.	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(Print sig	ner's name below signature
cT	ATE O	F NEW YORK, COUNTY OF		9	ss:		
<b>3</b> 1.	AIE O			being sworn says: 1	am		•
	natividual eritication	in the action herein: I have read the know the contents thereof and information and belief, and as to to the	the same are hose mauers I b of	elieve them to be true.	e, except those matters	therein which are sta	ed to be alleged or.
` \	Corporate erification y belief	a corporation, one of the parties to know the contents thereof and information and belief, and as to t as to those matters therein not state	the same are hose matters I b	true to my knowledge elieve them to be true.		therein which are sta	ted to be alleged on
		. 🔨					
Sv	vom to	before me on		, 20	400707777774-11204114	(Print s	gner's name below signature)
	C	arol Ann Sciarra eside at 10 S. Lynn Stree On January 16	,	20071 served a true of	ss: being sworn says: I am stopy of the annexed Ver following manner:	rified Answer	
	Service by Mail	by mailing the same in a sealer within the State of New York, a	ddressed to the	h postage prepaid the last-known address of	reon, in a post-office or of the addressee(s) as indic	official depository of the cated below:	he U.S. Postal Service
8	Personal	by delivering the same personal	lly to the person	ns at the address indica	ated below:		
Check Applicable B	Service by Electronic Means	and mailed a copy of same to the U.S. Postal Service within the	ing so I receive hat attorney, in State of New Yo	d a signal from the equal sealed envelope, with ork, addressed to the la	h postage prepaid thereor ist-known address of the	n, in a post office or of addressee(s) as indicat	ficial depository of the ed below:
•	Overnight Delivery Service	by depositing the same with an designated by the overnight del	overnight deli- livery service fo	very service in a wrapp or overnight delivery. T	per properly addressed. Sa The address and delivery	aid delivery was made service are indicated b	prior to the latest time elow:
			1	Daniel Wade, Es Rosicki, Rosick Z Summit Court, Fishkill, NY 12	i & Associates, Suite 301	P.C.	
					·	,	
		:					
		Sworn to before me on Janu	uary 16	, 20 07			
				***************************************			

Document 21-9 Page 14 of 44 Filed 06/16/2008 Case 1:08-cv-01024-JGK 845 703 3110 P.27 BONACIC KRAHULIK JUN-06-2007 16:17

US BANK NATIONAL AL .CIATION, AS TRUSTEE FOR MASTER ASSET BACKED SECURITIES Plaintiff TRUST 2006-FRE1,

Attorney(s) for

DARRICK GRIMES, YOLANDA GRIMES, BENECIRICAL HOMEOWNER SERVICE CORPORATION,

## VERIFIED ANSWER

## BONACIC, LOBIONDO & KRAHULIK, LLP

Autorney(s) for Defendants, Darrick Grimes and Yolanda Grimes

90 CRYSTAL RUN ROAD, SUITE 106 MIDDLETOWN, NEW YORK 10941 (845) 703-3100

١,		(0.43)				
-			- 1. 1.4	practice in the courts	of New York	
tate, certified	2 NYCRR 130-1.1, the s that, upon information ment are not frivolous.	undersigned, an attorney on and belief and reason Signature Print Signer's Name	マー	Krabulik	(**************************************	
	the within				•	
	opy of the within				provide production of the state	
Dated:		n par , year to part to tar have be				
		Attorney(	s) for	,— <u>;—,—,—,—,—,—,—,—,—,—,—,—,—,—,—,—,—,—,</u>		
	AKE NOTICE that the within is a (ce entered in the office of	the crein of	med Court or	:	20	
that the within is a (cert notice of entered in the office of the entary  that an Order of which		the within is a true copy will be presented for settlement to the one of the judges of the within named Court,				
NOTICE OF SETTLEMENT	Hon.	20	, at	<i>M</i> .		
Dated:		Auorney(s) for	Defendant	LOBIONDO & Ki		
			90 C	RYSTAL RUN ROAD, ' DDLETOWN, NEW YOR (845) 703-310		

Case 1:08-cv-01024-JGK Document 21-9 Filed 06/16/2008 Page 15 of 44
2007 16:17 BONACIC KRAHULIK 845 703 3110 P.28 JUN-06-2007 16:17 BONACIC KRAHULIK

JUN-06-2007 16:17

23 Stacy Lee Drive Newburgh, NY 12550 February 26, 2007

#### VIA REGULAR MAIL AND FACSIMILE

Mr. Lee R. Mitau (612) -303-0799 Executive Vice President, Secretary and General Counsel U.S. Bancorp 800 Nicollet Mall Minneapolis, Minnesota 55402

Fremont Investment & Loan (714) 961-5293 2727 E. Imperial Highway Brea, California 92821 Attn: Ms. Maureen Barlow

State of New York (718) 8103 Banking Department One State Street Plaza New York, New York 10004-1417

Re: Loan No.: 1146013644 and Fremont Loan Nos. 6000182284 & 6000182284 Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

New York File No.: 07 M 6

Dear Mr. Mitau:

I am writing this letter to your attention for assistance in resolving a predatory lending issue and to bring to alert you that a fraudulent loan transaction took place on or before October 12, 2005 involving Fremont Investment and Loan and WCS Lending LLC. Wells Fargo & Co. and/or America's Servicing Company sold, assigned or transfer the mortgage loan to your institution in February 2006.

This letter shall serve as our revised terms for a Loan Modification to the Mortgage and Note held by and assigned, sold or transfer to US Bank National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE1 ("US Bancorp"). As previously communicated with your department, we believe a fraudulent transaction took place prior to closing on the above-referenced loan. Fremont Investment & Loan ("Fremont") is clearly taking the position if any fraudulent transaction was committed by WCS Lending LLC, the independent mortgage broker and they have no responsibility for such actions. We are pursuing our position that a fraudulent act was committed by WCS Lending LLC and Fremont and that the contractual obligations should be null and voided or the mortgage loan should be modify to reflect fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions.

At the loan approval stage, Fremont has complete and total decision making authority for deciding whether to make a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to

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believe that a lending institution may have established policies and procedures of shifting "credit rationing" — where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" — where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We are also requesting state and federal regulators to review America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather then denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

Currently, we are requesting assistance from various state and federal governmental agencies to act as a mediator in this matter to avoid costly legal expenses. We have discussed our situation with legal counsel and await a response from US Bancorp and America's Servicing Company. This proposal reflects all the damages suffered under the current mortgage held by US Bancorp. In the interest of resolving this matter in a timely manner, we are willing to negotiate an amicable settlement.

While it is our desire to resolve this matter in an amicable fashion, we are willing to enter into a loan modification agreement only if we can mitigate all of the damages we have suffered under the mortgage currently held by US Bancorp. The table on page 3 reflects in detail our proposed terms for a loan modification we would be willing to agree upon. The fact that America's Servicing Company and or US Bancorp has not responded in a timely fashion to prior written communications and is not willing to discuss any proposed work-out arrangement to date or waive late charges, certain interest payments or reduce the interest rate (to reflect the 5.00%) does not make us whole or mitigate the damages we have incurred.

The unpaid principal balance is being re-adjusted to reflect the fraudulent mortgage loan transactions originated by Fremont and WCS Lending LLC. It does not address the unfair acts and deceptive business practice of the lender and/or mortgage broker in this matter.

A final condition for entering into the loan modification agreement would be that our credit reports be updated to reflect that there was a dispute with respect to the mortgage since October 12, 2005 and July 1, 2006. This is a final condition for entering into any form of loan modification agreement that would be mandatory. Any corrections and/or amendments to our credit reports would be required to be reported upon execution of the loan agreement promptly and the major credit report agencies should be instructed in writing to amended and or delete all negative or derogatory data from our credit histories and updated to reflect that there was a dispute with respect to the mortgage and all payments have been timely made.

Our current credit reports have been severely damaged while we have been trying to renegotiate the terms of this mortgage. Had we been properly informed, we would have never entered into such a transaction because it was not beneficial to us since the interest rate of 8.45% was substantially higher than the 7.00% interest rate we were anticipating receiving.

We propose that the terms of the mortgage be revised to reflect the following:

Re-Adjusted Unpaid Principal Balance: \$339, 660.58 (a)

Reduction of Interest Rate:

5.00%

Waive Interest Due:

\$30,198.40

Waive Late Fees:

\$1,583.64

Waive Recoverable Corporate Advance

\$1,522.87

Maturity Date

November 30, 2035 (Fixed 30 years)

Please review our proposed terms with US Bancorp and senior management of America's Servicing Company and advise us in writing on or before March 31, 2007, whether these terms are acceptable.

If these terms are acceptable would you kindly calculate the new monthly payment under the proposed terms? Our first payment under the modified loan would be due on June 1, 2007.

We look forward to an amicable resolution in this matter.

Very truly yours,

Darrick Grimes

Yolanda Grimes

- cc: U.S. Department Housing and Urban Development
  - U.S. Comptroller of Currency, Customer Service Group

<sup>(</sup>a) This amount reflects a deduction of \$67,264.28 from the fraudulent transaction, detailed are as follows: \$11,365 in broker's fees and miscellaneous fees and \$40,505.43 mortgage interest paid year to date from Closing.

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23 Stacy Lee Drive Newburgh, NY 12550 March 7, 2007

### VIA REGULAR MAIL AND FACSIMILE

Mr. Lee R. Mitau (612) -303-0799
Executive Vice President, Secretary and General Counsel
U.S. Bancorp
800 Nicollet Mall
Minneapolis, Minnesota 55402

Fremont Investment & Loan (714) 961-5293 2727 E. Imperial Highway Brea, California 92821 Attn: Ms. Maureen Barlow

State of New York (718) 8103
Banking Department
One State Street Plaza
New York, New York 10004-1417

Attn: Carmen Gomez

Re: Loan No.: 1146013644 and Fremont Loan Nos. 6000182284 & 6000182284

Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

New York File No.: 07 M 6

Dear Mr. Mitau:

This letter shall serve the purpose to follow-up on my previous complaint and letter of February 26, 2007 and provide further supporting documentation that a predatory loan was originated by Fremont Investment and Loan in September/October 2005. WCS Lending LLC has responded to our complaint made to the New York State Banking Department and provided us with a copy of their New York Pre-Application Disclosure and Broker Fee Agreement and Good Faith Estimate, both dated September 13, 2005 and both were fraudulently signed by someone at WCS Lending LLC other than Darrick and Yolanda Grimes. As previously stated in prior communications and supported by e-mail communications and various closing documents provided by Fremont Investment and Loan the signatures do not match and were fraudulently signed by WCS Lending LLC or Fremont Investment and Loan. We signed the loan application provided by WCS Lending LLC on September 20, 2005 and again at closing on October 12, 2005, which was the first time we were able to examine the disclosure documents at Closing by Fremont Investment and Loan and WCS Lending LLC. We did not sign any pre-disclosure documentation or Good Faith Estimate with an interest rate of 8.0%. As a matter of fact the only pre-disclosure documentation we signed had an indicated interest rate of 7.0% interest rate and not 8.0%. Mortgage fraud and mortgage discrimination was committed by WCS Lending LLC and Fremont investment and Loan for failure to properly disclosed the true terms of the transaction, submitting faisified documentation to obtain a higher loan commitment, fraudulently signing borrowers name and signature to disclosure documents and increasing the disclosure interest rate from 7.0% to 8.45%, at closing sandbagging borrowers in front of Sellers without recourse and jeopardizing the borrowers good faith down-payment deposit.

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Please review the prior communications and note that our signatures do not match or compare to any other the closing documents signed on October 12, 2005. Furthermore please review our signatures in comparison to the pre-disclosure documents that were provided by WCS Lending LLC to the final closing documents from Fremont Investment and Loan's response letter to the New York State Banking Department.

This is a classic case of <u>Bait and Switch</u> and WCS Lending LLC committed mortgage fraud and Fremont Investment and Loan directly or indirectly assisted this mortgage broker with such act or activities. Mortgage Fraud is a criminal act and I am immediately alerting you that a fraudulent loan transaction took place on or before October 12, 2005 involving Fremont Investment and Loan and WCS Lending LLC. As previously stated by us WCS Lending submitted a fraudulent loan application to Fremont Investment and Loan and immediately sold, assigned or transfer the first mortgage to Wells Fargo & Co. and/or America's Servicing Company for mortgage servicing and sold, assigned or transfer the mortgage loan to your institution in February 2006.

This letter shall serve as our revised terms for a Loan Modification to the Mortgage and Note held by and assigned, sold or transfer to US Bank National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE1 ("US Bancorp"). As previously communicated with your department, we believe a fraudulent transaction took place prior to closing on the above-referenced loan on or about September 13, 2005 prior to the mortgage loan application being signed on September 20, 2005. Fremont Investment & Loan ("Fremont") is clearly taking the position if any fraudulent transaction was committed by WCS Lending LLC, the independent mortgage broker and they have no responsibility for such actions. As previously stated by Fremont Investment and Loan in their response letter the loans were approved on September 16, 2005 before we signed the loan application.

We will be pursuing our position that a fraudulent act(s) were committed by WCS Lending LLC and Fremont Investment and Loan and that the contractual obligations should be null and voided or the mortgage loan should be modify to reflect mortgage fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions immediately.

At the loan approval stage, Fremont has complete and total decision making authority for deciding whether to make a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to believe that a lending institution may have established policies and procedures of shifting "credit rationing" – where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" – where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We will be requesting state and federal regulators to review WCS Lending LLC and Fremont Investment and Loan for their unfair business practices and policies for criminal

behavior and activities in the mortgage markets. We are also going to request that America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers be re-evaluate in light of this new evidence. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather then denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

Currently, we are requesting assistance from various state and federal governmental agencies to act as a mediator in this matter to avoid costly legal expenses. We have discussed our situation with legal counsel and await a response from US Bancorp and America's Servicing Company. This proposal reflects all the damages suffered under the current mortgage held by US Bancorp. In the interest of resolving this matter in a timely manner, we are willing to negotiate an amicable settlement.

While it is our desire to resolve this matter in an amicable fashion, we are willing to enter into a loan modification agreement only if we can mitigate all of the damages we have suffered under the mortgage currently held by US Bancorp. The table on page 3 reflects in detail our proposed terms for a loan modification we would be willing to agree upon. The fact that America's Servicing Company and or US Bancorp has not responded in a timely fashion to prior written communications and is not willing to discuss any proposed work-out arrangement to date or waive late charges, certain interest payments or reduce the interest rate (to reflect the 5.00%) does not make us whole or mitigate the damages we have incurred.

The unpaid principal balance is being re-adjusted to reflect the fraudulent mortgage loan transactions originated by Fremont and WCS Lending LLC. It does not address the unfair acts and deceptive business practice of the lender and/or mortgage broker in this matter.

A final condition for entering into the loan modification agreement would be that our credit reports be updated to reflect that there was a dispute with respect to the mortgage since October 12, 2005 and July 1, 2006. This is a final condition for entering into any form of loan modification agreement that would be mandatory. Any corrections and/or amendments to our credit reports would be required to be reported upon execution of the loan agreement promptly and the major credit report agencies should be instructed in writing to amended and or delete all negative or derogatory data from our credit histories and updated to reflect that there was a dispute with respect to the mortgage and all payments have been timely made.

Our current credit reports have been severely damaged while we have been trying to renegotiate the terms of this mortgage. Had we been properly informed, we would have never entered into such a transaction because it was not beneficial to us since the interest rate of 8.45% was substantially higher than the 7.00% interest rate we were anticipating receiving.

We propose that the terms of the mortgage be revised to reflect the following:

Re-Adjusted Unpaid Principal Balance: \$339, 660.58 (a)

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5.00%

Waive Interest Due:

Reduction of Interest Rate:

\$30,198.40

Waive Late Fees:

\$1,583.64

Waive Recoverable Corporate Advance

\$1,522.87

Maturity Date

November 30, 2035 (Fixed 30 years)

Please review our proposed terms and advise us in writing on or before March 31, 2007, whether these terms are acceptable.

If these terms are acceptable would you kindly calculate the new monthly payment under the proposed terms? Our first payment under the modified loan would be due on June 1, 2007.

We look forward to an amicable resolution in this matter.

Very truly yours,

/s/ Darrick Grimes

Darrick Grimes

Yolanda Grimes

cc: U.S. Department Housing and Urban Development

U.S. Comptroller of Currency, Customer Service Group

<sup>(</sup>a) This amount reflects a deduction of \$67,264.28 from the fraudulent transaction, detailed are as follows: \$11,365 in broker's fees and miscellaneous fees and \$40,505.43 mortgage interest paid year to date from Closing.

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23 Stacy Lee Drive Newburgh, NewYork 12550 March 5, 2007

Consumer Complaints (Fax) 415-393-1962 Division of Banking Supervision and Regulation Federal Reserve Bank of San Francisco 101 Market Street, Mail-Sop 945 San Francisco, California 94105

Federal Deposit Insurance Corporation (Fax) 703-812-1020 Consumer Response Center 2345 Grand Boulevard, Suite 100 Kansas City, MO 64108-2638

California Department of Financial Institutions 7575 Metropolitan Drive, Suite 108 San Diego, California 92108 Attn: Mr. Albert Marquez

Florida, Office of Financial Regulation 200 E. Gaines Street Tallahassee, Florida 32399 Attn: Enforcement Division

Re: Fremont Investment and Loan; America's Servicing Company, WCS Lending LLC and U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor

Dear Consumer Complaint Units:

This letter shall serve the purpose to file a formal complaint against Fremont Investment and Loan, Fremont General Corporation and WCS Lending LLC for unfair acts and deceptive lending in the sub-prime loan market. This Complaint outlines the deceptive and unfair business acts of predatory lending and fraudulent loans conducted by Fremont.

"Why do you believe you are discriminated against":

1. Defendant, Fremont Investment and Loan ("Fremont"), is a wholly owned subsidiary of defendant, Fremont General Corporation, a banking holding company and financial holding company, a publicly BONACIC KRAHULIK

- held company traded on the New York Stock Exchange (except where otherwise noted, both defendants are collectively referred to as "Fremont or "Fremont General").
- 2. From at least 2000 until present, Fremont's business has included regularly engaging in residential real estate-related transactions and regularly extended credit to persons. Fremont's home mortgage loans are residential real estate-related transactions within the meaning of the Fair Housing Act, 42 U.S.C. \$ 3605, Fremont is a creditor as that term is defined by section 702 (e) of the Equal Credit Opportunity Act, 15 U.S.C. \$ 1692a(e), and therefore, subject to the requirements of the Equal Credit Opportunity Act and its implementing Regulation B, as amended, 12 C.F.R. Part 202, in effect on or after March 23, 1977.
- 3. Fremont's brokers ("WCS Lending LLC") are entities that bring borrowers and Fremont together for the borrower to obtain mortgage loans, Fremont solicits and receives applications for credit, primarily through mortgage brokers who submit home mortgage loan applications from potential borrowers. Such broker submissions are referrals under the Real Estate Settlement Procedures Act and its implementing regulations, 24 C.F.R. 3500.14(f).
- 4. The persons on whose behalf such credit applications are submitted are applicants as that term is defined by Section 702(b) of the Equal Credit Opportunity Act, 15 U.S.C. \$1691(b).
- 5. Fremont underwrites each loan submitted to it by its brokers, if it approves the application; the loan is funded in Fremont's name. The actions by Fremont and its brokers in the origination and making of the mortgage loan constitutes a settlement service as defined by the Real Estate Settlement Procedures Act, 12 U.S.C. \$ 2602(3).
- 6. Fremont brokers' fees are paid in three different ways, with all costs ultimately borne by the borrower: (a) through "up-front" charges, fees, or points, with points being a percentage of the loan amount paid to the broker (usually at closing from the proceeds of the loan); (b) through "back-end" fees (also called "yield spread premiums"), whereby the borrower accepts an interest rate that is higher than Fremont's par interest rate and Fremont makes a direct payment to the broker for securing the higher-than-par loan; and (c) through "miscellaneous" fees, which are usually paid out of loan proceeds.
- 7. Fremont is responsible for the fees charged to borrowers for its loan. It individually underwrote and funded each loan, it approved each loan fee paid to a broker, and it aided its brokers in obtaining unearned fees described herein. With respect to a substantial portion of the loans, Fremont was aware that little or no services were being performed in exchange for the broker charges. Further, Fremont review and knew that the total of the broker compensation did not bear a reasonable relation to the level of the goods and services that the brokers provided or performed. In fact, Fremont aided its brokers in obtaining the unearned fees described herein by approving mortgage loan applications and performing many of the services for the brokers.
- 8. Fremont also frequently gave its broker a portion of the broker fees in connection with a mortgage loan in the form of a yield spread premium, when no nominal

services were actually performed. In addition, such payment constituted the giving of a thing of value in exchange for the referral of loan business.

- 9. Fremont's brokers typically charged fees ranging from 1to 5 percent or more of the total amount borrowed. Fremont's borrowers, particularly those who were charged high fee amounts, seldom had the cash on hand with which to pay all of the brokers' fees. Therefore, the borrowers' loan amounts were increased to cover the high fees. The increased loan proceeds provide Fremont with additional profit and with a mechanism through which to pay its brokers. In doing so, Fremont directly or indirectly gave a portion of the loan proceeds to its mortgage brokers to pay charges for which nominal services were rendered.
- 10. Fremont has subjected its African American female borrowers to terms and conditions for home mortgage loan that resulted in those borrowers paying more for their loans than similarly situated white male borrowers.
- 11. Fremont's brokers received their fees without regard to risk that the borrower would default on the loan, and no part of the broker fees referred to herein related to the credit risk presented by the borrower.
- 12. Fremont has often approved loans without regard to a borrower's ability to repay when prudent underwriting criteria, such as debt-to-income ratios, residual income, and repayment history, would have indicated that the borrower would likely have difficulty repaying the loan, Fremont has approved loans where the borrower's debt payments would consume more than half of the borrower's total pretax income, and in many instances would leave the borrower with less than adequate income for living expenses. Fremont has approved mortgage loans that cause the borrower's monthly debt payments to increase, despite Fremont's knowledge of the borrower's past inability to meet the lower prior monthly payments. In many cases, there were was no changes in the borrower's circumstances or other evidence to suggest that the borrower would be able to meet the newer and more onerous requirements. Fremont's practice of approving loans without regard to borrower's ability to repay has exposed borrowers to unwarranted risk of default and foreclosure.
- 13. Fremont's policies and practices, as alleged herein constitute:
- 14. Discrimination on the basis of race and sex in making available residential real estaterelated transactions in violation of Section 805 of the Fair Housing Act, 42 U.S.C. \$ 3605(a); and
- 15. Discrimination against applicants with respect to credit transactions, on the basis of race and sex in violation of the Equal Credit Opportunity Act, 15 U.S.C. \$ 1691 (a)(1).
- 16. The defendants' policies and practices constitute:
- 17. A pattern or practice of resistance to the thrill enjoyment of rights secured by the Fair Housing Act, as amended, 42 U.S.C. \$\$ 169 1-1691f; and
- 18. A denial of rights granted by the Fair Housing Act, as amended, to a group of persons that raises an issue of general public importance.
- 19. Persons who have been victims of Fremont's discriminatory policies and practices are aggrieved persons as defined in the Fair Housing Act and Equal Credit Opportunity Act, and have suffered damages as a result of the Fremont's conduct as described herein.
- 20. Fremont's discriminatory policies and practices were intentional and willful, and

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- were implemented with deliberate disregard for the rights of African American women.
- 21. Fremont's policies and practices, as alleged herein constitute:
- 22. The giving of a kickback or thing of value for the referral of settlement service business involving a federally related mortgage loan in violation of Section 8(a) of the Real Estate Settlement Procedures Act, 12 U.S.C. \$ 2607(a); and
- 23. The giving of a portion or percentage of a settlement service charge involving a federally related mortgage loan other than for services actually performed in violation of Section (8)(b) of the Real Estate Settlement Procedures Act, 12 U.S.C. \$2607(b).
- 24. In conducting its home mortgage lending operations, Fremont has chosen to serve the "subprime" or "B/C" mortgage loan market. As a subprime lender, Fremont hold itself out as willing to approve and fund loans to borrowers who have flawed credit histories and/or debt-to-income ratios that are higher than those deemed acceptable in the "A" or "conforming"
- 25. Fremont's violation of the Fair Housing Act, Equal Credit Opportunity Act, HOEPA and TILA have injured its borrowers and, absent injunctive and other relief entered by this court, are likely to continue to injure borrowers and harm the public interest.

### Please review the following summary of events:

- 1. This complaint only address the factual circumstances that affect the borrowers Darrick and Yolanda Grimes and the property address at 23 Stacy Lee Drive, New burgh, New York 12550.
- 2. Fremont Investment and Loan was the originator of the loan which mortgage application was prepared and submitted by WCS Lending LLC ("WCS Lending" or "mortgage broker") on or about September 12, 2005. The closing date for the purchase of the property located at 23 Stacy Lee Drive, Newburgh, New York was on October 12, 2005. The first time we saw the final mortgage commitment letter issued by Fremont Investment and Loan was on October 12, 2005 the day of the closing. The Mortgage Servicing Transfer of the first mortgage was transfer to America's Servicing Company in the month of February 2006 without proper notice under the Real Estate Settlement Procedure Act a clear violation and, U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor became the first mortgage holder. While Fremont Investment and Loan retained the second mortgage.
- 3. Fremont Investment and Loan and WCS Lending LLC, the mortgage broker engaged in deceptive and unfair acts under the Section 5(a) of the Federal Trade Commission Act with misrepresentation and conducting mortgage fraud with the mortgage application and inflating incomes to seek approval on a higher mortgage and by purposely discriminating against minorities and women by imposing different loan terms to the borrowers without proper disclosure. Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and Federal Reserve Board Regulation B, 12 C.F.R. part 202. and based upon race and sex a clear violation of the Fair Housing Act, 42 U.S.C. \$\$ 3605 and Equal Credit Opportunity Act 15 U.S.C \$\$1692a(e). Fremont Investment and Loan and WCS Lending provided false and misleading information on the mortgage application to obtain a higher mortgage

loan approval based upon the borrower's equity in the home and not based upon the borrowers' ability to repay the loan based upon documented income engaged in deceptive and unfair acts by not properly disclosing the true terms of the loan until the closing a violation of Truth in Lending Act. When brokers deliver a loan with an inflated interest rate (i.e., higher than the rate acceptable to the lender), the lender often pays a "yield spread premium" -- a kickback for making the loan more costly to the borrower. Section 8 of RESPA, 12 U.S.C. § 2607, and Regulation X, 24 C.F.R. §3500.14, prohibit referral fees and kickbacks. The Truth In Lending Act requires disclosure of all essential terms, including finance charges, the finance charge express as an annual percent rate, and the total of all loan payments be provide prior to closing a transaction to allow the potential borrower the opportunity to review such terms. In the case of Fremont Investment and Loan and WCS Lending they intentionally failed to provide a proper disclosure of the true terms until the Closing date and misrepresented terms of the mortgage loan by relying upon the preliminary disclosure interest rate. Failure by a lender to provide the essential terms of a loan transaction is a direction violation of the Truth in Lending Act. A lender shall not make a high risk home loan if the lender does not believe at the time the loan is consummated that the borrower or borrowers will be able to make the scheduled payments to repay the obligation based upon a consideration of their current and expected income, current obligations, employment status and other financial resources (other than the borrower's equity in the dwelling that secures repayment of the loan). A borrower shall be presumed to be able to repay the loan if, at the time the loan is consummated, or at the time of the first rate adjustment in the case of a lower introductory interest rate, the borrower's scheduled monthly payments on the loan (including principal, interest, taxes, insurance and assessments), combined with the scheduled payments for all other disclosed debts, do not exceed 50% of the borrower's monthly gross income." The lender is required to verify the borrower's ability to repay the loan. Minimum verification requirements include:

- 4. America's Servicing Company violated the Real Estate Settlement Act by failing to timely pay the property taxes from the escrow account and by failure to respond and acknowledge the borrowers qualified written request for information about servicing of the loan and escrow account and property taxes for nine months in 2006.
- 5. U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor is in the practice of acquiring subprime loans from sub-prime lenders who actively engage in deceptive and unfair acts or practices of predatory lending and therefore indirectly benefits from the violations of the originator of these types of loans and attempts to enforce the terms of a loan that have been misrepresented to the borrowers in the beginning a clear violation of the Federal Trade Commission Act, the Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and Federal Reserve Board Regulation B, 12 C.F.R. part 202 based upon mortgage discrimination based upon race and sex a clear violation of the Fair Housing Act, 42 U.S.C. \$\$ 3605.

JUN-06-2007 16:21

Fremont Investment and Loan and WCS Lending intentionally misrepresented the true term of the mortgage until the day of the closing to conduct mortgage fraud. From September 13, 2005 until October 12, 2005 the interest rate and monthly mortgage payments were with held from the borrowers intentionally to avoid last minute cancellation of the Closing and to sandbag the borrowers at the Closing with the Sellers. The initial interest rate disclosure of 7.0% to the final set interest rate of 8.45% should have been properly disclosed in the mortgage commitment letter of Fremont Investment & Loan prior to October 12, 2005.

Under normal circumstance borrowers would have been able to shop for a competitive interest rate if the commitment letter was provided by the lender in a timely manner.

WCS Lending LLC and Fremont Investment and Loan purposely withheld essential information regarding the terms of the loan and inflated and or falsified the mortgage application solely for their own financial purpose and to defrauded and to equity strip valuable home equity in the borrowers home.

If you have any questions, please do not hesitate to contact me at 845-562-0450 or via e-mail at darrickgrimes@aol.com.

Very truly yours,

/s/ Darrick Grimes

Darrick and Yolanda Grimes

VIA FACSIMILE (714) 961-5293

March 21, 2007

Fremont Investment & Loan 2727 E. Imperial Highway Brea, California 92821 Attn: Ms. Maureen Barlow

State of New York Banking Department One State Street Plaza New York, New York 10004-1417

Re: New York File No.: 07 M 6

Fremont Loan Nos. 6000182284 & 6000182284

Dear Ms. Barlow:

I have reviewed your responses to our complaint to the New York State, Banking Department and the New York State, Executive Department Division of Human Right.

Please be advised and note that WCS Lending LLC "(WCS Lending") has responded to our complaint and produced supporting documentation for their response. A carefully examination of WCS Lending supporting documentation provides evidence of our complaint that mortgage fraud was committed and that the mortgage application and pre-disclosure documents were forged signatures. Mortgage Fraud was committed in obtaining the mortgage loan from Fremont Investment and Loan and this matter will be referred to the criminal divisions of the state and federal governmental regulatory agencies.

In addition to forging our signatures on the documents, the Sellers signatures were forged on the Contract of Sale to give the appearance of earlier negotiations with the lender in this case, Fremont. One of the Sellers just happens to be a tax attorney licensed in the State of New York and he will provide supporting evidence that the signature on the Residential Contract of Sale and Amendment to Contract of Sale are not their signatures and will take legal action on all parties that forged his signature along with his wife. It appears that the classic **Bait and Switch** act was performed either by WCS Lending or Fremont prior to the Closing Date of October 12, 2005.

It appears that WCS Lending has back-dated certain documents to provided supporting evidence of their obtaining approval from Fremont before September 20, 2005 the date the mortgage application was signed. WCS Lending prepared two sets of mortgage applications and submitted the application directly to Fremont.

The total broker fees paid to WCS Lending were \$10,125.00.

The total fees paid to WCS Lending LLC were as follows:

Mortgage broker fee \$4,050

Yield spread premium \$6,076 This "mortgage broker fee" presumably was for acting as the representative (hence the term "broker") of the borrowers and was payable by the borrowers. The "yield spread premium" is a euphemism for a kickback pald by a lender to a mortgage broker for bringing to it a loan for which it can charge a high interest rate, high closing fees, or both. These two separate fees paid to WCS Lending LLC were unearned, excessive, and the product of illegal conduct. They show that it was being paid by both lender and borrowers, that it was attempting to act as the representative of both parties, and thus it was acting unfaithfully to the borrowers.

It should be noted that Fremont only disclosure prior to the Closing Date of October 12, 2005 was a small notation of **Broker Yield Spread Premium: 0-3% of Loan Amount.** 

• Mortgage Broker's Fees and Kickbacks. Predatory mortgage lenders also originate loans through local mortgage brokers who act as "bird dogs", or finders for the lenders. These brokers represent to the homeowners that they are working for them to help them obtain the best available loan, and the homeowners usually pay a broker's fee. In fact, the brokers are working for predatory lenders, who pay brokers kickbacks to refer borrowers for loans at higher interest rates than those for which the borrower would otherwise qualify. On loan closing documents, the industry uses euphemisms to describe these referral fees: yield spread premiums and service release fees. Also, unbeknownst to the borrower, their interest rate is increased to cover the fee. The industry calls this bonus up selling or par-plus premium pricing; we call it paying unlawful kickbacks.

I have attached for your review a copy of the loan application signed on **September 20, 2005** by the borrowers and deliver to WCS Lending for submission to the Fremont. Please note that the application was signed on **September 20, 2005 along with the NYS Pre-Disclosure Documents and Good Faith Estimate** as provided by WCS Lending with a **stated interest rate of 7.0**% and not **8.0**% as provided by WCS Lending to the NYS Department of Banking with a **forged signatures** of Darrick Grimes and Yolanda Grimes, dated **September 13, 2005.** 

Your letter also indicates that a second set of disclosures were mailed to the borrowers on *October 11, 2005 the day before Closing*. Because of federal statutes, the pre-disclosures are to be mailed to the consumers within three days. If pre-disclosures were mailed in a timely manner to the consumers prior to the Closing Date of *October 12, 2005*, than the consumers would have ample opportunity to review the second set of disclosures prior to the Closing Date. Perhaps Fremont can offer an explanation on why the set second of pre-disclosures were mailed to the borrowers the day prior to the Closing Date of *October 12, 2005*, if indeed both loans were approved on or about *September 16, 2005*. Please provide me with documentation on approval of the loans in September 2005 and all communications with WCS Lending and a time-line on when Fremont provided a mortgage commitment letter to WCS Lending approving above-referenced loans. A review of your Loan Tracking Status indicates that the loan was denied. Date of Action Taken: 10/17/05 five days after closing of the loan. Reason for Denial: Number 3 - Credit History.

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Which Indicates that a fraudulent mortgage application was submitted to Fremont by WCS Lending? The pre-disclosures sent by Fremont were not made timely to the borrowers and application that we signed on September 20, 2005 is certainly not the same application signed during closing on October 12, 2005. As a matter of fact the HUD-1 Settlement Statement faxed on October 11, 2005 was illegible and not reviewed by the borrowers until October 12, 2005, at which time the disclosure of the yield premium spread of \$6,075 was noticed. This conflict of interest was created by Fremont and supported by WCS Lending to establish the very foundation of predatory lending.

Predatory lending in the sub prime mortgage market covers a wide range of practices. While the practices are quite varied, there are common traits. They generally alm either to extract excessive fees and costs from the borrower or to obtain outright the equity in the borrower's home. This is often accomplished through a combination of aggressive marketing practices, high-pressure sales tactics, and loan terms, such as prepayment penalties, that inhibit a borrower's ability to go elsewhere for credit.

Fremont's responses indicated that all disclosures were made in a timely manner and that the bulk of the complaint appears to involve representations made by the broker, WCS Lending. Fremont has a legal responsibility to provide consumers and borrowers with accurate Truth in Lending Disclosures and Good Faith Estimates that will ensure that borrowers know exactly the terms of a loan prior to closing.

The original Truth in Lending Disclosure Statement reveals an annual percentage rate of 5.167%, with the amount of payments beginning at \$2,694.48 for the first 24 payments. (Dated 9/13/2005)

The actual Truth in Lending Disclosure Statement shows an annual percentage rate of 10.711%, with the amounts of payments beginning at \$3,099.76 for the first 24 payments.

(Dated 10/12/2005)

What information the application does contain about the income of the borrowers is mistaken. It shows monthly net rental income in the amount of \$1,076. This entry is false because no monthly rental income was being collected in the primary residences of the borrowers. The relevant income of the borrowers is based on net or disposable income, not a fictitious rental income supplied by WCS Lending. As a matter of fact, the borrowers had their primary residence in Contract with a potential buyer at the same time the purchase transaction was going on. A review of Fremont underwriting guidelines clearly should be reviewed going forward with state and federal regulatory. Based upon monthly payments beginning on December 1, 2007, borrowers would have to make payments in the amount of\$3,669.91 excluding real estate property and school taxes based upon the income supplied on the application.

• Making Unaffordable Loans. Some predatory mortgage lenders purposely structure loans with monthly payments that they know the borrower cannot afford so that when the homeowner is led inexorably to the point of default, she will return to the lender to refinance the loan, and the lender can impose additional points and fees. Other predatory mortgage lenders, called hard lenders, intentionally structure the loans with payments the homeowner cannot afford in order to lead to foreclosure so that they may acquire the house and the valuable equity in the house at a foreclosure sale.

- Lending more than the borrower can afford. HUD guidelines say that shelter costs, including utilities, should not exceed 40% of a borrower's income. Most borrowers would not take on more debt than they could possible handle, but sub-prime lenders often stretch borrowers far beyond that. In our case the mortgage payments would exceed more than 40% of net income and thus leave borrowers with just barely enough funds to manage utilities, in a drafty houses and out-of-sight heating bills.
- Lending more than the value of the property. It is clear that WCS Lending was able to obtain an artificially high appraisal on the home because two months later, the house appraised at \$10,000 to \$20,000 than the purchase priced. Often this is done by bringing in an artificially high appraisal on the house, done by an appraiser "in cahoots" with the lender or mortgage broker, sometimes comparing it to other recent sales of properties that are larger, in better condition, or in more upscale neighborhoods. The buyer is then really stuck, because they can't re-sell the house for anywhere near that amount if they run into trouble.
- Inflated closing costs. Borrowers have been charged much more than the going rate for closing cost items such as title search, appraisal, termite inspection, lawyers' fees and credit check. These services may even be provided by people working for the lender.

Among the most harmful of these predatory lending practices is "equity-stripping. This often begins with a loan that is based on equity in a property rather than on a borrower's ability to repay the loan -- a practice known as "asset-based lending." As a general rule, loans made to individuals who do not have the income to repay such loans usually are designed to fall; they frequently result in the lender acquiring the borrower's home equity. The borrower is likely to default, and then ultimately lose her home through foreclosure or by signing over the deed to the lender in lieu of foreclosure. Such a scheme is particularly damaging because these vulnerable borrowers often have no significant assets except the equity in their homes.

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We will send you a copy of WCS Lending response under separate cover, along with copies of the actual signed documents by both Buyers/Borrowers and Sellers.

. Very truly yours,

Darrick Grimes

Yolanda Grimes

23 Stacy Lee Drive Newburgh, NY 12550 March 29, 2007

### VIA REGULAR MAIL AND FACSIMILE (718) 741-8166

Ms. Natasha Saxon
Ms. Iris Carrasquillo
State of New York
Executive Department
Division of Human Rights
One Fordham Plaza, 4th Floor
Bronx, New York 10458

u O

State of New York
Banking Department
One State Street Plaza
New York, New York 10004-1417
Attn: Carmen Gomez

Re: Case No.:10115874

Dear Ms. Saxton:

This letter shall serve as our formal written response (rebuttal) against the Respondent in the above-referenced case. WCS Lending LLC ("WCS Lending") and Fremont Investment and Loan ("Fremont") have respectively submitted their response to our complaint made to the New York State, Executive Department, Division of Human Rights and provided you with copies of the Uniform Residential Loan Application (8.0% interest rate), New York Pre-Application Disclosure and Broker Fee Agreement and Good Faith Estimate, all dated September 13, 2005 for reference.

First, as a matter of establishing the truth in this case and elaborating on the factual basis for mortgage fraud and mortgage discrimination, we stated categorically that the documents produced by WCS Lending, dated September 13, 2005 are forged documents ("Forged Documents"). The Good Faith Estimate, the New York Pre-Application Disclosure and Broker Fee Agreement and the Uniform Residential Loan Application were fraudulently signed by someone at WCS Lending or Fremont on September 13, 2005. As previously stated in prior communications and supported by the various closing documents provided by Fremont the signatures do not match any of the closing documents signed on October 12, 2005 as submitted by Fremont. The Forged Documents that WCS Lending produced to support their written response, also are the same forged documents that, Fremont is relying upon to approve the two loans without our the borrowers prior knowledge. We have carefully examined the Forged Documents and the Cohen's signatures (the "Sellers") have also been fraudulently signed to an undated Residential Contract of Sale and the Amendment to Contract. (See Annex I -Forged Documents). The Residential Contract of Sale is dated August 12, 2005 and the Amendment to the Contract is dated September 14, 2005 for the record.

Second, as a matter of factual statement, we attaching the first and only Initial Disclosures received from WSC Lending a Pre-Qualification Letter, dated September 12, 2005,

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which was addressed to Yolanda Grimes, outlining the pre-qualifying financing and indicating that her excellent credit, income and assets would qualify for a loan up to amount of \$440,000:

On September 13, 2005, Yolanda Grimes received the loan application package from WCS Lending on their letterhead, dated September 13, 2005, requesting for various documents to support the loan application. Included in the loan application package was the following: a prepared Uniform Residential Loan Application (7.0% interest rate), Good Faith Estimate (7.0%), the Truth in Lending Disclosure Statement, New York Pre-Disclosure and Broker Fee Agreement and other disclosure documents. Now, between September 12, 2005 and September 20, 2005, WCS Lending made a request to Yolanda Grimes that her husband, Darrick Grimes should become a co-signer to the loan application to strengthen the approval process of loan.

We signed the first loan application, which was prepared and provided by WCS Lending LLC on September 20, 2005 and submitted back to the mortgage broker on the same day. We signed a second loan application as part of the Closing transaction on October 12, 2005, which was the first disclosure we noticed that we had a higher interest rate of 8.45%. We strongly disagree with all statements made by Fremont regarding receiving a disclosure notice prior to October 12, 2005. The interest rate was revised upward to a higher level and no written notice or communication was given by WCS Lending or Fremont until at Closing. Fremont alleges to have mailed a letter dated October 11, 2005 via regular mail stating that the rate would change but does not state whether the letter was prior to the Closing Date of October 12, 2005. Fremont intentionally mailed notification late to avoid the borrowers trying to negotiate a better rate or better yet canceling the transaction. The Grimes strongly denies receiving any notification letter from Fremont and if so the letter was received more than five (5) days after closing. (See Annex II).

The Grimes denies and disagrees with Fremont regarding the mailing of two sets of Initial Disclosure documents, particularly since according to Fremont the two loans were approved on September 16, 2005 prior to their knowledge of the terms of the loans. Furthermore, neither Fremont nor WCS Lending has produced any written correspondence addressed to the Grimes indicating that a mortgage loan was approved on a certain date or approval was obtained on a certain date or a signed mortgage commitment letter was issued to the Grimes outlining the terms of the two mortgage loans and the condition when the mortgage commitments will expire.

Fremont and WCS Lending written responses rely solely upon Forged Documents submitted by WCS Lending on September 13, 2005. The Grimes denies and disputes all statement made by Fremont and WCS Lending regarding signing a loan application on September 13, 2005. We restate again, that any loan application, pre-disclosure documentation or Good Faith Estimate with an indicated interest rate of 8.0% is fraudulent signed by either WCS Lending or Fremont. As a matter of fact the only pre-disclosure documentation we signed had an indicated interest rate of 7.0% interest rate and not 8.0%.

In responding to WCS Lending's written response we simply referred to the documents submitted by WCS Lending see <u>Annex I</u> - "Mortgage Fraud" and "Bait and Switch" Scheme.

The Grimes disagrees with the statement made by Fremont regarding the approval of the loan based upon on false documentation. First, the loan application submitted by WCS Lending was a Forged Document see Annex I. Secondly, the loan application lists our primary residence or home under Section VI. Assets and Liabilities as "Type of Property -Multi" and "Rental Property" with Gross Rental Income as \$4,400.00 and Net Rental Income as \$1,076.00, which is a false statement. Under Section V. Monthly Income and Combined Housing expenses Information - Net Rental Income is listed as \$1,076.00, which is a false statement. Our primary

house was listed on market in July 2005 with Langer Realty Group for sale at the purchase price of \$440,000. See documents attached to Annex III.

In reference to statements made by Fremont and WCS Lending, we are providing copies of the actual signed documents for verification of the signatures of the Sellers and the Buyers/Borrowers (Grimes): (a) Residential Contract of Sale, dated August 12, 2005, (b) Durable Power of Attorney for the Sale of the House- 188-19 104th Avenue, St. Albans, New York, (c) Washington Mutual Bank – Pre-Approval Letter, dated July 13, 2005, (d) Easy Lifestyle Real Estate Agency Binder Letter, dated July 11, 2005, outlining the Purchase price and Terms of the Transaction, (e) Affidavit of Seller (Ronald J. Cohen, Esq.) as evidence of forged signature of Seller. With respect to the Forged Documents, please note that certain dates were inserted into various documents as a deceptive practice and false pretense of timing of the transactions.

We are also attaching for you review the Initial Loan Disclosures delivered by WCS Lending via Fremont: (a) WCS Lending Pre-Qualification Letter, dated September 12, 2005 addressed to Yolanda Grimes, as a creditworthy borrower. As indicated in the letter, "prequalifying financing – Specifically, your credit and assets are excellent and your income conforms to our investor guidelines", (b) Uniform Residential Loan Application-Principal Amount \$405,000; Interest Rate – 7.0%; No, of Months – 360/360; Arm 2/28. See documents attached to Annex II.

Mortgage fraud and mortgage discrimination was committed by WCS Lending and Fremont for failure to properly disclose the true terms of the transaction in writing prior to closing and submitting Forged Documents to obtain a loan commitment without the borrower's prior knowledge. They fraudulently signing borrowers name and the Sellers signature to Residential Contract of Sale, and other related contractual documents to give appearance of a mutually agreed upon transaction and to established a false time frame.

The Grimes disagrees and categorically denies the statements made by Fremont that two sets of disclosure documents were mailed to the Grimes, which increased the initial interest rate from 8.0% to 8.45% prior to closing on October 12, 2005. See Annex II for a copy of the letter Fremont allegedly mailed on October 11, 2005.

The Grimes denies all statement made by Fremont and WCS Lending regarding providing proper written disclosure and timely notification in writing from Fremont and WCS Lending. Fremont and WCS Lending intentionally sandbagged the horrowers at closing in front of Sellers without prior notification or recourse to negotiate the terms of the loans or seek another lender. Furthermore Fremont and WCS Lending placed the borrowers in an uncompromising position with the Sellers that could have jeopardized the borrowers' good faith deposit of \$20,000.00. Neither, WCS Lending or Fremont has explained the fact that a loan application and Good Faith Estimate was prepared with a stated interest rate of 7.0% with the exact same information as the forged document of September 13, 2005. The respondent has also not produced any written documentation stating that the interest rate has increased from 7.0% to 8.0% or that the interest rate increased from 8.0% to 8.45%.

"Bait and switch". You know the term. It is most commonly used when a retailer advertises a great sale on a large screen television or new car. When the buyers flock to his store, that item is sold out or the ad was a mistake. However, the retailer has something? Almost as good? That he will let go at a steal to make up for the confusion. Well this practice is rampant in mortgage lending as well.

Here is the scenario in our case of bait and switch.

The Grimes commits to a mortgage under a set of terms: a certain interest rate (7.0%), a fixed or adjustable mortgage with a specified frequency and method of adjustment; length of loan; and so forth. Then, at the closing table, the borrower realizes that the loan documents specify a higher interest rate (8.45%), a two year adjustment, with a larger monthly mortgage payment or other terms to which the borrower would not certainly had agreed upon.

The loan originator does not answer his cell phone, the moving van is loaded, and the sellers are beginning to look real unhappy. Under such pressure, the borrower signs the documents while swearing to get the mess straightened out. But with a signed note and mortgage, it is now a legal issue that will take time and money and perhaps the courts to sort out. This is the classic case of Bait and Switch and WCS Lending committed mortgage fraud and Fremont assisted this mortgage broker with such act(s). Mortgage Fraud is a criminal act and we are immediately alerting you that a fraudulent loan transaction took place on October 12, 2005 involving Fremont and WCS Lending.

The Grimes disagrees and categorically denies all statements made by Fremont regarding the submitting of a signed loan application for the purchase of a home via their broker based upon the fraudulent documents attached to Annex I.

The Grimes disagrees and categorically denies all statements made by Fremont regarding prior inquiring about the terms of the loan. As previously stated, WCS Lending submitted a fraudulent loan application to Fremont without our prior knowledge. Than Fremont immediately sold, assigned or transfers the first mortgage to Wells Fargo & Co. or America's Servicing Company for mortgage servicing within 90 days before we could detect the fraudulent activities. Several telephone calls were to Fremont regarding the first and second mortgages in January and February 2006. As a matter of fact, after being sandbagged at the Closing on October 12, 2005, WCS Lending gave verbal assurance that the two mortgages could be refinance in January 2006. Between December 2005 and January 2006, Fremont and WCS Lending gave us nothing but lip service about the loan terms and refinancing terms. Attached please find a Fremont letter dated March 6, 2006, acknowledging our request for closing and loan documentation for the transaction that closed on October 12, 2005.

The Grimes disagrees and categorically denies all statements made by Fremont regarding approval of the loan was based solely upon the origination of the mortgage without regard to the borrower's ability to repay the loan and thus strip valuable equity from their home. We are attaching a copy of an Order to Cease and Desist (Docket No. FDIC-07-035b) issued by the Federal Deposit Insurance Corporation on March 7, 2007 and a recent article from The New York Daily News, dated March 21, 2007, that supports our complaint regarding Fremont's mortgage underwriting loan criteria. If forged documents were submitted to gain loan approval, the whole process was tainted and borrowers never had a true opportunity to seek better loan terms from another lender. Thus the true essence of mortgage discrimination against minority customers denies certain group of customers from seeking and obtaining the best loan terms that they qualified. Deceptive acts and unfair practices forms the underlying principals of predatory lending and mortgage discrimination and denies minority customers with equal and fair lending avenues based upon the same criteria of other applicants.

Fremont structured two mortgage loans based upon the lower credit score of the-one borrower that would eventually and substantially increase the likelihood of loan default. Based

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upon the documented income of the Grimes' paychecks statements stubs provided to WCS Lending and Fremont: Gross Income was \$8.471.64 and Net Income was \$5,395.64 at the time of the loan underwriting and approval of the two mortgages. This would leave a shortfall of \$2,249.00 based upon Gross Income and \$5,325.00 based upon Net Income if Fremont just made some basic math calculations based upon verified income documentation (excluding the phantom monthly rental income of \$1,076.00). Certainly, WCS Lending did the income calculations to derive a monthly income of \$10,720.00 because they prepared the loan application. The loan application was prepared by WCS Lending with the inflated income amounts of \$10,720.00 (borrower and co-borrower) including the phantom monthly rental income, to make sure the debt to income ratio would fall under the Fremont's underwriting criteria of 46.278% and the property's loan to value ratio of 95% (90% LTV on the First Mortgage and 5% LTV on the Second Mortgage). We are attaching a copy of the Residential Contract of Sale to support our complaint that our primary house was on the market to be sold in conjunction with the purchase of the home in Newburgh, New York and was not used as Rental Property. (See Annex III). As stated by Fremont in their written responses, they had direct communications with the mortgage broker, WCS Lending and should have requested documentation of the income of the borrowers. Please note that at the time of the loan application the co-borrower had been working part-time for the prior 18 months and WCS Lending was fully advised prior to borrowers signing the loan application on September 20, 2005.

At the underwriting stage, Fremont has complete and total decision making authority for deciding whether to approve or decline a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to believe that a lending institution may have established policies and procedures of shifting "credit rationing" — where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" — where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We will be requesting state and federal regulators to review WCS Lending and Fremont for their unfair business practices and policies for criminal behavior and activities in the mortgage markets. We are also going to request that America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers be re-evaluate in light of this new evidence. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather then denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

We strongly believe that fraudulent act(s) were committed by WCS Lending and Fremont and that the contractual obligations should be null and voided and any liens established by these predatory and mortgage discrimination loans should be modify to reflect mortgage fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions immediately.

With respect to America's Servicing Company and U.S. Bancorp's written response, we acknowledge that they individually and collectively they did not participate nor have any part in the origination of our loans or were involved in the mortgage discrimination in the origination loan process. However, we strongly stated again that several mortgage fraudulent act(s) or activities did take place in the origination process of our loan and, each party now either directly or indirectly is a mortgage loan servicing company, in the case of America's Servicing Company or in the case of US Bancorp (U.S. Bank National Association in its capacity as a Trustee for a master Asset backed Securities Trust 2006-FRE-1 is holding the fraudulent loan as collateral or for better illustration in the possession of stolen goods or ill gotten gains (stolen property) and thus should not be able to hold such property legal.

We respectfully request that a full judgment in the entire amount of the two mortgages originated by Fremont and brokered by WCS Lending be awarded to the borrowers in this matter.

Very truly your,

Yolanda Grimes

Darrick Grimes

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#### Grimes, Darrick

From: Grimes, Darrick

Sent: Friday, April 27, 2007 11:50 AM

To: 'financia justice 1 @ecom.org'

Subject: Wells Fargo & Co. and America's Servicing Company

Promi Grimes, Darrick, Bents Thursday, April 12, 2007 4:49 PM Tos 'O'R' Subjects RE: Complaint Leiter re WCS Lending LLC

#### Finance Enforcement Department

I have forward our complaint letters regarding a mortgage fraud committed by WCS Lending LLC (forged signatures) and Fremont investment and Loah and our attempt to reactive or modify a fraudulent loan transfer to a Wells Fargo's subsidiary within 90 days of closing the transaction. In this particular matter our mortgage broker (WCS Lending LLC) and lender (Fremont investment and Loan) have performed a classic "Belt and Switch" softens where our signatures were forged on one set of disclosure documents including the loan application with different terms (Interest raties) for the loan only to find out at closing we were signing for a mortgage with higher interest rates. The loan application contained phantom rents income on the house we were setting in Queens, New York and inflated incomes to qualify for the loan approval submitted by the mortgage broker. I figured copies of the forged documents to the Office of the Attorney General of the State of Florida for review since not only were the borrowers' signatures forged but also the Sellers' signatures.

I sent to you under separate cover our rebuttal response to the complaints we filed with the New York State Division of Human Rights and New York State Banking Department- Mortgage Division, regarding the deceptive and fraudulent loans that we were misled into signing at the closing. The true terms of the loan transactions were not disclosed until closing and as a matter of fact the loan was approved on forged signetures submitted by our mortgage.

broker. There were two sets of disclosure documents and lander (Fremont) never properly disclosed the true terms of the transact

I have been working with NYS Banking Department and NYS Division of Human Rights on this issue and the lender in this case. Fremont investment and Loan is asserting that disclosure was given to the mortgage broker directly and mailed to the borrowers on September 16, 2006 the same date the loan was approved. The odd thing about the case is that the loan application submitted on September 13, 2006 by our mortgage broker, WCS Lending has forged signature of the borrowers as well as the Sellers. Fremont's response is that disclosures were mailed to the borrowers on the September 16, 2005 and a complet-off on September 29, 2005 but borrowers do not have a copy of the letter, despite the fact that the borrowers signed different disclosure documents on September 20, 2005. NYS Department of Banking believes that this might be a criminal matter and that the police or district attorney should be contacted. America's Servicing Company, who is the loan servicer and a Wells Fargo & Company subsidiary has refused to offer any time of loan modification or repayment options on the mortgage and the investor in this passe (U.S. Bancorp, serving as Trustee for the Securitization Master Trust) has no real input in the matter.

We would appreciate any assistance in this matter.

Darrick and Yolanda Grimes 23 Stacy Lee Drive Newburgh, New York 12550

4/27/2007



# STATE OF NEW YORK OFFICE OF THE ATTORNEY GENERAL

Andrew M. CUOMO ATTORNEY GENERAL 212-416-8294

DIVISION OF PUBLIC ADVOCACY

RUSSIAN OF COMMUNIC. FRAUDS AND PROTECTION

April 13, 2007

Darrick & Yolanda Grimes 23 Stacy Lee Drive Newburgh, NY 12550

Re: Our File No: 2007-600048
Company: America's Servicing Company

Dear Darrick & Yolanda Grimes:

On behalf of Attorney General Andrew M. Cuomo, I am writing to notify you that we have received your correspondence. We appreciate your alerting us to this matter.

We note that you have already contacted the agency shown below. It appears that your complaint properly falls within that organization's purview and our office must respectfully defer to their expertise in this matter. By a copy of this letter, however, I am requesting that they review your complaint to determine if they can offer further assistance or suggestions.

Thank you for writing to our office. We will keep your correspondence on file for fixure reference.

Very truly yours,

Philip Gamma
Philip Gamma
Bureau of Consumer Frauda
and Protection

ce: NYS Department of Banking
Mortgage Division
One State Street
New York, NY 10004-1417

130 Broadway, New York, WY 10271 🐿 (212) 416-8300 👁 Fax (212) 416-8003 4 bitm//www.oog.statumysax

भाव सामान सामान भाग नेमान स्थानमात कर । महिला प्राप्त का किस के किस के अपने के किस के किस के किस का उस्ता है क त्याने प्राप्त के प्राप्त का किस का का का किस का किस के अपने के अपने के अपने का का किस का का किस का किस के का त्यान का क्षेत्र के किस का का किस का किस के किस के अपने के अपने के किस के किस का की का का का का का का का का की

Case 1:08-cv-01024-JGK Document 21-9 Filed 06/16/2008 Page 44 of 44 845 703 3110 BONACIC KRAHULIK JUN-06-2007

Grimes, Darrick

From: Sent:

ServicePoint@fidfa.com

Friday, April 20, 2007 10:40 AM Grimes, Derrick [File Number: 8120070400283] WCS Lending

Dear Darrick and Yolanda Grimes:

Chief Financial Officer (CTO) Alex Sink shared your e-mail with me and asked that I respond on her behalf. We appreciate the opportunity to serve you.

Fiorida laws dealing with the mortgage and banking industry only apply if the mortgaged property is within the State of Florida. The companies may be located all over the United States but if they are writing mortgages on Florida property they fall under our jurisdiction. The exception to that are the Federal banks and their wholly owned substdiaries which fall under federal laws. You may wish to contact the New York State Banking Department at the address below:

Consumer Help Unit
New York State Banking Department
One State Street,
New York, NY 10004-1417
(212) 709-5470

If you have additional questions or concerns, you may call our Consumer Helpline at 1-800-362-2762 within Florida or (650) 413-3132 from outside Florida. A Specialist will be happy to assist your. Also, current information in banking, insurance and financial issues is available through our free Consumer eViews Newsletter. If you are interested, you may subscribe by visiting our website at www.fldfs.com or calling our Consumer Helpline.

Sincerely

Mary A. Nestbrook Insurance Specialist II 

# Exhibit G

Applicants: Darrick Grimes / Yolanda Grimes
Property Addr: 23 StuCy BS Orivis: 080 Gryn Oct 024-JGK

Document 21- Date Prepared: Ilentarios Loan Program: 2/28 ARM

Page 2 of 6

Prepared By: WCS Financial Services Ph. 855-927-5363

6501 Congress Avenue, 3rd Floor, Boca Raton, FL 33487

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates actual charges may be more or less. Your transaction may not involve a fee for every learn listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement statement will show you the actual cost for home paid at settlement.

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Prepared By:

Applicants: Darrick Grimes / Yolanda Grimes
Propase: 1 208-02 Ve Oth Q 24-by My 125 Document 21-10

WCS Financial Services Ph. 866-927-5363

6501 Congress Avenue, 3rd Floor, Boca Raton, FL 33487

File on Page 3 of 6

2/28 ARM

The information provided below reflects estimates of the charges which you are likely to incur at the settlement of your loan. The fees listed are estimates-actual charges may be more or less. Your transaction may not involve a fee for every item listed. The numbers listed beside the estimates generally correspond to the numbered lines contained in the HUD-1 settlement statement which you will be receiving at settlement. The HUD-1 settlement statement will show you the actual cost for items paid at settlement.

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01	Loan Origination Fee						
02	Loan Discount		· · · · · · · · · · · · · · · · · · ·		<u> </u>	<del></del>	
03	Appraisal Fee	T					
					(PAID).	300.00	
04-	Credit Report						
05	Lender's Inspection Fee		, , , , , , , , , , , , , , , , , , , ,	,		·	
08	Mortgage Broker Fee	1.000%	<del></del>			1000.00	
09	Tax Related Service Fee				***************************************	4,050.00	
10			·····			60,00	
	Processing Fee	·····				575.00	
11	Underwriting Fee					405.00	
12	Wire Transfer Fee			······································		400.00	
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106	Notary Fees	***************************************			·	195.00	
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108	Title insurance:	NY (Orange)	Purchase Owners			2,104,00	
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201	Recording Fees:						ALC: NO.
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0 2 3 4 5	Pest inspection  Interest for 15 Mortgage insurance Premium Hazard insurance Premium VA Funding Fee  RESERVES DEPOSITED WITH Hazard insurance Premiums Mortgage ins. Premium Reserver	ERITION BENDAID days @ \$	PANEADVANCE: TRANSPORTER	Estimated Closing per day	Costs \$	9,218.50 1,181.25 900.00	
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Settlement 19,268 Cherys

by vided pursuant to the Real Estate Settlement Procedures Act of 1974, as amended (RESPA). Additional information ooklet, which is to be provided to you by your mortgage broker or lender, if your application is to purchase a first lien on the property. The undersigned acknowledges receipt of the booklet "Settlement Costs," and if applicable

Calyx Form gfe.frm 11/01

926000182284 lote: This form is furnished to give you a statement of actual settlement costs. Amounts by to and by settlement agent are shown. Items marked P.O.C. were paid outside losing, they are shown here for informational purposes and are not included in the totals, ame and Address of Borrower, E. Name and Address of Solker. Ronald J Cohen & Ann Eve Cohen F. Name and Address of Lander: ick Grimes & Yolanda Grimes Fremont Investment & Loan 23 Stacy Lee Drive 11412 5404 Cypness Center Ste 300 Newburgh, NY 12550 Tamma, FL 33609 superty Location: Fl. Settlement Agents tacy Lee Unive L Settlement Date Majostic Scrtlement Services burgh, NY 12550 10/12/2005 55 Washington Street, Suite 851 Brooklyn, NY 11201 municipal Epitower's Transaction. A Sunday of Seller ! Transporter Group Amount Day Fram Bergmen Etc. Green Aminim Down Solo 450,000.00 Contract Sales Price 450,000.00 401. Contract Sales Price Personal Property 402. Personal Property 12,915.8 Seulement Charges to Borrower (line 1400) 103. Payoff to Wilshire Credit Corporation 404 Payoff to 405. diaximents for itside perd by action is salisation Addresses but here pair by sales in hiteres City/town taxes 1/1 to 12/31 406. City/town taxes 16 12/31 County Taxes 407. County Taxes :0 Assessments to. 408, Assessments to. School Taxes to 409. School Taxes to 1507.50 fuel Oil 410: Fuel Oil Propage 411: Propane Pool Closing 412: Pool Closing Gross Amount Due From Borrower 420. Gruss Amount Due to Seiler mounts Paid By Or In Behalf Of Bor 19 wes Sitt. Reduction for Amounts Dre To Selles 20,000,00 carnest money 501. Excess deposit (see Instructions) 405.EXIU.IN mount of new loan(s) 27,850,00 502. Settlement charges to seller (line 1400) existing loan(a) taken subject to 503. Existing loan(s) taken subject to 30mswees Credit 250,000,00 504. Payoff ABN AMRO 21,500,88 2n Loun Proceeds 164,451,16 505. Payoff Chase Bank One 3.000.00 2rly Closing 20.000.00 506. Deposit 13,500,00 Blir's Convession 3,00.00 507. Early Closing 13 5(x) (X) 508. Seller's Concession 309. Adjustments for items appaid by selfers Adjustments for items annaid by sellers ity/town taxes 510. City/town taxes: ounty Taxes ю.. 511. County Taxes 58cssments 5121 Assessments 15(11,97 chool Taxes 7/ Ĺ to 5.30 513. School Taxes 7/1 to 6/30 11.50 laintenance 514. Mainetnance Fee 515. 516. 517. 518, 454,580,81 stal Paid By/For Borrower 520. Total Reduction Amount Dise Seller ask Al Scriderment Econd To Borrower 600 Cars Westmann Jackion 3 der 476,045.55 due from borrower (line 120) 153,129,73 601. Gross Amount due to seller (line 420) 464,580.81 +50,315,09 paid by/for horrower (line 320) 602. Less reductions in armt. due to seller (line 520) 11,464.74 **⊠**From 27,185,36 Borrower 303. Cash ⊠To CIFrom-\_\_\_ Воличес Seller Soller

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#### rowers(s) and Seller(s) Certification

re have carefully reviewed the attached HUD-1 Settlement Statement and to the best of my knowledge and belief it true and accurate statement of all receipts and disbursements made on account or by me in this transaction. All the irmation on the attached HUD-1 is as it appeared at the time of execution. No changes or additions have been made he document since the time of closing. I further certify that I have received a copy of the HUD I Settlement terment.

### sing Agent

: HUD-I Settlement Statement that I have prepared is a true and accurate account of this transaction. I have caused will cause the funds to be dispursed in accordance with this statement.

Arching: Section 1010, Title 18, U.S.C., "Department of Housing and Urban Development and Federal Housing ministration Transactions," provides: "Whoever for the purpose of ... influencing in any way the action of such ministration ... makes, passes, utters or publishes any statement, knowing the same to be false ... shall be fined not re than \$5,000.00 or imprisoned not more than two years, or both."

# Exhibit H

VIA FACSIMILE AND
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

December 28, 2006

America's Servicing Company 3476 Stateview Blvd., MAC X7801-03K Fort Mill, South Carolina 29715 Attn: Loss Mitigation Department

Re: Loan Number: 1146013644

Ladies and Gentlemen:

This letter will serve as formal notice to exercise our Right of Rescission and cancel the above referenced loan transaction under the Truth in Lending Act and Home Ownership and Equity Protection Act of 1994.

We hereby cancel the above- referenced loan transaction pursuant to violation of the Truth in Lending Act, and this Notice of Right of Rescission will become effective immediately as of December 28, 2006.

Very truly yours,

Darrick Grimes

Yblanda Grimes

Contagnation of the

23 Stacy Lee Drive Newburgh, New York 12550 September 28, 2007

#### VIA FACSIMILE AND CERTIFIED MAIL

America's Servicing Company 7495 New Horizon Way Frederick, Maryland 21703

Attn: Attn: Loss Mitigation Department

Re: Loan No. 1146013644

Property Address: 23 Stacy Lee Drive, Newburgh, New York 12550

Ladies and Gentlemen:

This letter shall serve as notice that America's Servicing Company has improperly failed to take the required steps to return the borrowers' money and void the security interest in the above-referenced property pursuant to their Right of Rescission provided on December 28, 2006. We properly exercise our Right of Rescission and cancel the mortgage transaction and provided prompt and timely notice to you on December 28, 2006 pursuant to the Truth in Lending Act, 15, U.S.C. Section 1635 and Regulation Z, [15 C.F.R.] Section 226.23.

You are required under the Regulation Z, upon twenty days after receipt of the Notice of Rescission to return all monies paid and to take action necessary and appropriate to terminate the security interest in the borrower's property. The legal requirement that a lender returns borrower's monies and take action to terminate their security interest in the property within twenty days of receiving a rightful notice of rescission is a regulatory requirement under Regulation Z and the Truth in Lending Act. We asserted our rights to rescind the mortgage transaction pursuant to Regulation Z and Section 1635 of the Truth in Lending Act.

America's Servicing Company has failed to properly addressed the Notice of Rescission and take the necessary actions and steps to return all monies or property to the borrowers and take the required action to terminate the security interest created by the fraudulent mortgage loan transaction. This is a clear violation of the requirements of Section 1635 of the Truth in Lending Act and the legal remedy for such actions can result in liability for America's Servicing Company in terms of monetary damages to the borrowers for willful intention not to return all monies and termination of security interest in the property.

I am again writing this letter to your attention for assistance in resolving a fraudulent and predatory lending issue on the above-referenced account and to alert you that a fraudulent loan transaction took place on or before October 12, 2005 involving Fremont Investment and Loan and WCS Lending LLC. Wells Fargo & Co. and/or America's Servicing Company sold, assigned or transfer the mortgage loan to your institution in February 2006. As a threshold in attempting to resolve this matter America's Servicing Company has not address any issues relating to fraudulent acts by Fremont Investment and Loan which has been issued an Order to Cease and Desist from the Federal Deposit Insurance Corporation, dated March 7, 2007. Furthermore all responses relating to America's Servicing Company's position regarding the collection of a fraudulent loan have not been addressed (Forbearance Agreement and/or Loan Modification).

This letter shall serve as our revised terms for a Loan Modification to the Mortgage and Note held by and assigned, sold or transfer to US Bank National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE1 ("US Bancorp"). As previously communicated with your department, we believe a fraudulent transaction took place prior to closing on the above-referenced loan. Fremont Investment & Loan ("Fremont") is clearly taking the position if any fraudulent transaction was committed by WCS Lending LLC, the independent mortgage broker and they have no responsibility for such actions. We are pursuing our position that a fraudulent act was committed by WCS Lending LLC and Fremont and that the contractual obligations should be null and voided or the mortgage loan should be modify to reflect fraud. In any event, we are stating that we are victims of predatory lending and mortgage discrimination and would like our mortgage to reflect such fraudulent actions.

At the loan approval stage, Fremont has complete and total decision making authority for deciding whether to make a loan. They set the terms of the loan, including the interest rate, loan fees, maturity date, loan-to-value ratio, and loan type (conventional, adjustable rate, FHA, and so on). This is a critical factor and important issue, because predatory lending and mortgage discrimination often involves unfair terms and conditions for loans, and there is no reason to believe that a lending institution may have established policies and procedures of shifting "credit rationing" — where customers perceived to be high risk are denied loans or are shifted toward "risk-based pricing" — where these same customers are simply charged a higher price for their loans. We are requesting an intensive review by state and federal regulators regarding Fremont's underwriting policies and procedures to reveal empirical evidence of mortgage discrimination against minority customers. It is clear that WCS Lending chose Fremont based upon certain underwriting guidelines. Fremont's underwriting loan guidelines should be carefully examined for discrimination in overages, defined as the excess of the final contractual interest rate over the lender's official rate when it first commits to a loan.

We are also requesting state and federal regulators to review America's Servicing Company's policies and procedures regarding taking a harsher stance in foreclosure decisions against minority customers. We will be seeking anecdotal evidence from Wells Fargo & Co. and America's Servicing Company for imposing differential treatment in pursuing foreclosure actions based upon race or ethnicity. Our chief complaint involves the imposing of differential treatment or disparate impact on certain minority customers when decisions are determined based upon race or ethnicity. It is clear that unfair terms and conditions are imposed on minority customers when mortgage loans are structured and interest rates are determined. Fremont may be more likely to charge higher interest rates and/or fees for minority customers they perceived to be risky, rather then denying them financing altogether. Likewise, America's Servicing Company may be more likely to make the decision to foreclosure on minority customers' home because they perceive them to be more risky and unlikely to find a solution for a loan work-out.

Currently, we are requesting assistance from various state and federal governmental agencies to act as a mediator in this matter to avoid costly legal expenses. We had several discussions with senior counsel of US Bancorp and the Federal Deposit Insurance Corporation and Federal Reserve Bank of San Francisco regarding this matter. This proposal reflects all the damages suffered under the current mortgage held by US Bancorp. In the interest of resolving this matter in a timely manner, we are willing to negotiate an amicable settlement. We will be vigorously pursuing our fraud claims under New York law based upon the fact that "a representation of material fact was made," "the falsity of the representation, knowledge by the party making the representation that it was false when made to borrowers and the lender justifiable reliance on the mortgage broker resulting in injury to borrowers".

The element of our fraud claim and fraudulent concealment will be based upon the falsified and forged mortgage application and related documentation and the Contract of Sale between purchasers and sellers signed by employed personnel of WCS Lending and/or Fremont. The fraudulent concealment element of the fraud was to prevent borrowers from discovering the true terms and conditions of the loan until Closing. This deceptive act is a violation of New York General Business Law, Section 349, which deceptive acts were directed at consumers in the State of New York, with the intentionally deceptive act of misleading in a material way and causing financial injury to the borrowers. We will produce strong supporting documentation including an Affidavit from the Seller (NYS Bar Licensed Attorney) that there signature were forged on the Contract of Sale and Addendum submitted to the underwriters at Fremont by WCS Lending, which will provide strong credibility to our fraud claim in NYS courts.

Whether WCS Lending or Fremont had malice intent to harm borrowers will be fact findings of the courts. The mere fact of concealment by WCS Lending and Fremont not to disclose and state the true terms and conditions of the loans prior to the Closing date in a reasonable time frame and the discovery of fraudulent signatures of the mortgage application and related disclosure documents provides strong evidence in a fraud claim regarding misrepresentation of material facts, active concealment of material facts and conspiracy to defraud borrowers that WCS Lending and Fremont.

While it is our desire to resolve this matter in an amicable fashion, we are willing to enter into a loan modification agreement only if we can mitigate all of the damages we have suffered under the mortgage currently held by US Bancorp. The table on page 3 reflects in detail our proposed terms for a loan modification we would be willing to agree upon. The fact that America's Servicing Company and or US Bancorp has not responded in a timely fashion to prior written communications and is not willing to discuss any proposed work-out arrangement to date or waive late charges, certain interest payments or reduce the interest rate (to reflect the 5.00%) does not make us whole or mitigate the damages we have incurred.

The unpaid principal balance is being re-adjusted to reflect the fraudulent mortgage loan transactions originated by Fremont and WCS Lending LLC. It does not address the unfair acts and deceptive business practice of the lender and/or mortgage broker in this matter. As an initial matter of facts, WCS Lending and Fremont have violated the Fair Housing Act. Section 360(b) of the Fair Housing Act prohibits discrimination "against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provisions of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or conditions of such transaction, because of race, color, religion, sex, handicap, familial status, or national origin."

A final condition for entering into the loan modification agreement would be that our credit reports be updated to reflect that there was a dispute with respect to the mortgage since October 12, 2005 through October 31, 2007. This is a final condition for entering into any form of loan modification agreement that would be mandatory. Any corrections and/or amendments to our credit reports would be required to be reported upon execution of the loan agreement promptly and the major credit report agencies should be instructed in writing to amended and or delete all negative or derogatory data from our credit histories and updated to reflect that there was a dispute with respect to the mortgage and all payments have been timely made.

Our current credit reports have been severely damaged while we have been trying to renegotiate the terms of this mortgage. Had we been properly informed, we would have never entered into such a transaction because it was not beneficial to us since the interest rate of 8.45% was substantially higher than the 7.00% interest rate we were anticipating receiving.

We propose that the terms of the mortgage be revised to reflect the following:

Re-Adjusted Unpaid Principal Balance: \$304, 625.58 (a)

Reduction of Interest Rate: 5.00%
Waive Interest Due: \$89,010.00
Waive Late Fees: \$1,583.64
Waive Recoverable Corporate Advance \$1,522.87

Maturity Date November 30, 2035 (Fixed 30 years)

Please review our proposed terms with US Bancorp and senior management of America's Servicing Company and advise us in writing on or before October 31, 2007, whether these terms are acceptable.

If these terms are acceptable would you kindly calculate the new monthly payment under the proposed terms? Our first payment under the modified loan would be due on January 1, 2008.

We look forward to an amicable resolution in this matter.

Darrick Grime

cc: U.S. Department Housing and Urban Development

U.S. Comptroller of Currency, Customer Service Group

<sup>(</sup>a) This amount reflects a deduction of \$100,375.00 from the fraudulent transaction, detailed are as follows: \$11,365 in broker's fees and miscellaneous fees and \$89,010.00 mortgage interest paid year to date from Closing.

October 15, 2007

#### VIA FACSIMILE (866) 453-6315

Ms .Linda Parker America's Servicing Company. P.O. Box 10328 Des Moines, Iowa 50306-0328

Re: Loan Number 106-1146013644

Dear Ms. Parker:

This letter shall serve to respond to your previous correspondences in particular to your letter dated October 10, 2007. We are advising you again, that we are exercising our extended rights to rescind the above-referenced loan transaction, and hereby exercise that right pursuant to 15 U.S.C. \$\$ 1635 et seq. and 1639(j). We retain the right to rescind because of multiple violations of the Truth in Lending Act, 15 U.S.C \$\$ 1601 et seq. and the Home Ownership and Equity Protection Act, 15 U.S.C \$\$ 1639 et. seq.

The security interest held by U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor, the trustee for the securitization pool of mortgages and successor in interest as a result of this transaction is void upon receipt of this recession pursuant to 15 U.S. C. \$\$ 1635 and 1639(j) and 12 C.F.R. \$\$ 226.23. Federal regulations require that within twenty days after receipt of this notice of recession you return all monies paid and take any action necessary and appropriate to reflect termination of the security interest.

The Truth in Lending Act gives you the right to cancel any real estate loan transaction within three business days without penalty, <u>provided</u>, <u>however</u>, that the lender has not violate any provisions of the TLIA. Any violation of the TLIA gives a borrower the legal extended right to rescind the loan against any lender pursuant to 15 U.S.C. \$41635 and 12 C.F.R \$\$ 226.23 for material misrepresentations of loan terms and failure to deliver all material disclosures as required by the Act and Regulation Z\$\$ 226.17(a).

A borrower is also entitled to an extended right of recession against any assignees of the loan pursuant to 15 U.S.C. \$\$1641(c) pursuant to the multiple violations under the Truth in Lending Act. A lender and/or a mortgage broker that has intentionally and willfully committed any fraudulently act (s) or intentionally and knowingly induced a borrower to enter into a mortgage related loan transaction by fraud or misrepresenting material terms of a loan or by failing to provide material disclosure requirements regarding a loan has willfully and maliciously deceived and misled a customer in violation of the Deceptive Practices Act, General Business Law \$\$ 349 under the laws of the State of New York. The misrepresentation to a borrower that the annual interest rate on the subject mortgage or failure to provide true and accurate loan disclosure prior to scheduled Closing is a violation of the Deceptive Practices Act.

You have previously stated in numerous correspondences that America's Servicing Company obtained the servicing of our loan on February 1, 2006. That would be one hundred eight (108) days after the closing date of the fraudulently induced Note and Mortgage originated by Fremont Investment & Loan dated on October 12, 2005. You also stated that the normal recession period would have ended on October 15, 2005. You correctly state what would have been a normal recession period if fraud and misrepresentation of material terms were not involved in the transaction. However, you do not state any of the facts of forged signatures of the Seller and the Purchaser/Borrower on a Contract of Sale or the forged signatures on the fraudulently submitted mortgage application and related documents of the borrowers.

Please advise me if you have contacted (U.S. Bank, N.A.) the investor regarding the serious fraud claims that the borrowers have discovered on this loan that you are currently servicing. It appears that America's Servicing Company has taken the position that servicing of fraudulently induced Notes and Mortgages or criminal activity by any lender s not a major concern for the investors in the U.S. Bank, National Association, as Trustee for Master Asset Backed Securities Trust 2006-FRE-1 as assignee and successor.

The extended recession period would be trigged upon any willful and intentionally committed fraudulently act by a lender and/or mortgage broker when such acts result in the willful failure to properly make required disclosure clearly in writing in violation of 15 U.S.C. \$1632(a) and Federal Reserve Board Regulation Z, 12 C.F. \$\$226. Therefore the extended recession period would start upon the borrower first discovery and disclosure of fraud by Fremont Investment and Loan and WCS Lending LLC for intentionally failure to deliver all material disclosures as required by the Act and Regulation Z.

While America's Servicing Company's position is that all legal action should be directed to Fremont Investment and Loan and WCS Lending LLC, the Note and security interest in the property were secured by fraud and forge signatures and as such America's Servicing Company is attempting to collect monies on a fraudulent transaction with a Note and security interest that should be nulled and void based upon the facts in this matter.

As previous stated before America's Servicing Company is servicing a loan that was fraudulently induced and a mortgage application and related disclosure documents that were submitted upon false pretense for the very purpose of committing fraud on the borrowers and obtaining a mortgage approval with forged signatures with lender.

Upon completion of these responsibilities, we will perform all necessary actions required by 15 U.S.C \$\$ 1635 and 12 C.F.R \$\$ 226.35.

Very truly yours

Darrick Grimes

# **Exhibit I**

Letter to Ms. Sachie Tanaka
Federal Deposit Insurance Corporation
Re: Complaint of Darrick and Yolanda Grimes
Your File No.: SCC2007W-002073-0
March 28, 2007

### GOODBYE LETTER

01/12/00

12 100-00054 0001

DARRICK GRIMES 23 STACY LEE DR NEWBURGH NY 12550-8750

Property Address: 23 STACY LEE DR, NEWBURGH, NY 12550

Fromont Investment & Loan Number: 6000182284

## NOTICE OF ASSIGNMENT, SALE, OR TRANSFER OF SERVICING RIGHTS

You are hereby notified that the servicing of your <u>tirst</u> mongage loan, that is, the right to collect payments from you, has been assigned, sold, or transferred from Froment Investment & Loan to <u>AMERICA'S SERVICING COMPANY</u> effective <u>02/01/2006</u>.

The assignment, sale or transfer of the servicing of your <u>first</u> mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you this notice no later than 15 days before the offactive date of transfer or at closing. Your new servicer must also send you this notice no later than 15 days after this effective date or at closing.

Your present servicer is Fremont Investment & Loan. If you have any questions relating to the transfer of servicing from your present servicer, call the Customer Service Center between 5:00 a.m. and 6:00 p.m., PST, Monday through Friday. The number is (800) 776-7511, This is a tell free number.

Your new servicer is AMERICA'S SERVICING COMPANY. The business address for your new servicer is F.O. BOX 10328, DES MOINES, IA 50305-0328. The payment address for your new servicer is F.O. BOX 57297, BALTIMORE, MD 21297-3297. If you have any questions relating to the transfer of servicing to your new servicer, call the Customer Service Department at 816-322-6557, MONDAY THROUGH FRIDAY 8:00 AM TO 6:00 PM EST.

The date that your present servicer will step accepting payments from you is <u>01/31/2006</u>. The date your new servicer will start accepting payments from you is <u>02/01/2006</u>. Send all payments due on or after that date to your new servicer. <u>Please note that any automatic drafting/ACH service will also be cancelled as of <u>01/31/2006</u>. If you are interested in re-establishing this automatic draft/ACH method with your new servicer, please contact their Customer Service Department after the transfer date.</u>

The transfer of servicing rights may affect the terms of, or the continued availability of, any optional insurance coverage or other membership products. If you have been paying fees for optional insurance or membership products in addition to your mortgage payment, these services will not be continued. You should contact the provider of the optional insurance or membership product directly regarding any continued availability.

At your-end, Fremont investment & Lean will send you a statement reflecting your account activity for the portion of the year we serviced your lean. Your new serviced will send a statement for the portion of the year they serviced your lean. You will need to consolirate both statements to obtain the totals you paid for principal and interest. (Over)

#### (continued)

You should be aware of the following information, which is set out in more detail in Section 6 of RESPA (12 U.S.C. 2605):

During the 60-clay period following the effective date of the transfer of the lean servicing, a lean payment received by your old corvicor before its due date may not be treated by the new loan servicor as late, and a late fee may not be imposed upon you.

The transfer of servicing rights may affect the terms of, or the continued availability of, any optional insurance coverage or other membership products. If you have been paying fees for optional insurance or membership products in addition to your mortgage payment, those services will not be continued. You should contact the provider of the optional insurance or membership product directly regarding any continued availability.

At year-end, Fromont investment & Loan will send you a statement reflecting your account activity for the portion of the year we sorviced your loan. Your now sorvicer will send a statement for the portion of the year they serviced your loan. You will need to consolidate both statements to obtain the totals you paid for principal and interest.

You should be aware of the following information, which is set out in more detail in sections of RESPA (12 U.S.C. 2605)

During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new lean servicer as late, and a late fee may not be imposed on you.

Section 6 of RESPA (12 U.S.C. 2605) gives certain consumer rights. If you send a "qualified written request" to your loan servicer concerning the servicing of your loan, your servicor must provide you with a written acknowledgement within 20 business days of receipt of your request.

A "qualified written request" is a written correspondence other than notice on a payment statement or other payment modium supplied by the servicer that includes your name and account number, and your reasons for the request.

Not later than 60 Business Days after receiving your request, your Servicer must make appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your Servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written ruquest. However, this does not prevent the Servicor from initiating foreclosure if proper grounds exist under the mortgage documents.

A Business Day is a day on which the offices of the business entity are open to the public, for carrying on substantially all of its business functions.

Section 6 of NCSPA also provides for damages and costs for individuals Or classes of individuals in circumstances where servicers are shown to have violated the requirements of the Section. You should seek legal advice if you believe your rights have been violated.

Sinceroly. Fremant Investment & Loan

Fromont investment & Loan is attempting to collect a dobt and any information obtained will be used for that purpose,

Full uary 9, 2006

New Loan Number: 1146013644 RE:

Old Loan Number: 6000182284

005230

Darrick Grimes Yolanda Grimes 23 Stacy Lee Dr. Newburgh NY 12550-8750

Dear Valued Customer:

This letter is being sent to inform you that the servicing of your loan has transferred to America's Servicing Company effective February 1, 2006. The transfer of mortgage servicing is a common practice in today's market and does not affect any terms or conditions of your mortgage, other than those provisions related to the servicing of your mortgage. Please refer to the Notice of Assignment for the Real Estate Settlement Procedures Act (RESPA) printed on the reverse side of this letter for more information. America's Servicing Company is committed to providing the quality service you are accustomed to and to ensuring a smooth transition.

Beginning February 1, 2006, please direct payments to America's Servicing Company. America's Servicing Company will send you a billing statement each month after your payment is received. If you wish to make a payment greater than the amount due, please indicate how you wish to have the additional funds applied.

All payments and correspondence regarding your loan should be addressed as indicated below:

PAYMENT: America's Servicing Company PO Box 37297 Baltimore MD 21297-3297

CORRESPONDENCE: America's Servicing Company P.O. Box 10328 Des Moines, IA 50306-0328

include your old loan number, or America's Servicing Company loan number on all inquiries to assure prompt response to your needs during period. When you send in a check to make your payment, America's Servicing Company may clear the check electronically. Receipt of your check at the address listed on your payment coupon will authorize us to process your payment as an electronic debit to the checking account on which the check was written. If your mortgage check does not clear and is returned, we may withdraw funds from your account electronically. Normally, if this occurs your check will not be returned to you with your bank statement but you can obtain a copy by other means.

If your mortgage payments were drafted from an account this service was discontinued. This may be a good time to consider the convenience of our Automatic Mortgage Payment (AMP106) program and begin deducting your mortgage payment from your checking or savings account. If interested, please call America's Servicing Company Customer Service at 866-222-6557 and reference AMP106 to enroll over the phone. You may also return the enclosed application to the correspondence address referenced above.

If you currently have credit life or other optional insurance, it will not transfer to America's Servicing Company.

No later than January 31st of next year, America's Servicing Company will provide you with a statement reflecting the amount of mortgage interest paid by you to America's Servicing Company.

The goal of America's Servicing Company is to continue to meet your expectations of service. If you have any questions regarding this transfer please call America's Servicing Company Customer Service at 866-222-6557, Monday through Friday 8:00 a.m. to 6:00 p.m. Eastern Standard Time. If you have any questions relating to your loan activity prior to the transfer of servicing, please call your previous servicer below:

Previous Servicer: Fremont Investment and Loan

Toll Free Phone Number: 1-800-776-7511

Hours of Operation: 6:00 a.m. to 6:00 p.m. PST, Monday through Friday

eesa Whitt-Potter

Leesa Whitt-Potter Vice President

Customer Operations

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DARRICK GRIMES 23 STACY LEE DR NEWBURGH NY 12550-8750

Property Address: 23 STACY LEE DR, NEWBURGH, NY 12550

Fremont Investment & Loan Number: 6000182344

#### NOTICE OF ASSIGNMENT, SALE, OR TRANSFER OF SERVICING RIGHTS

You are hereby notified that the servicing of your second mortgage loan, that is, the right to collect payments from you, has been assigned, sold, or transferred from Fremont Investment & Loan to OCWEN LOAN SERVICING LLC effective 04/03/2006.

The assignment, sale or transfer of the servicing of your second mortgage loan does not affect any term or condition of the mortgage instruments, other than terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you this notice no later than 15 days before the effective date of transfer or at closing. Your new servicer must also send you this notice no later than 15 days after this effective date or at closing.

Your present servicer is Fremont Investment & Loan. If you have any questions relating to the transfer of servicing from your present servicer, call the Customer Service Center between 6:00 a.m. and 6:00 p.m., PST, Monday through Friday. The number is (800) 776-7511. This is a toll free number.

Your new servicer is OCWEN LOAN SERVICING LLC. The business address for your new servicer is P.O. BOX 785055, ORLANDO, FL 32878-5055. The payment address for your new servicer is P.O. BOX 6440, CAROL STREAM, IL 60197-6440. If you have any questions relating to the transfer of servicing to your new servicer, call the Customer Service Department at 800-74-OCWEN, MONDAY THROUGH THURSDAY, 9:00 AM-9:00 PM EST, FRIDAY 9:00 AM-6:30 PM EST.

The date that your present servicer will stop accepting payments from you is 04/02/2006. The date your new servicer will start accepting payments from you is 04/03/2006. Send all payments due on or after that date to your new servicer. Please note that any automatic drafting/ACH service will also be cancelled as of 04/02/2006. If you are interested in re-establishing this automatic draft/ACH method with your new servicer, please contact their Customer Service Department after the transfer date.

The transfer of servicing rights may affect the terms of, or the continued availability of, any optional insurance coverage or other membership products. If you have been paying fees for optional insurance or membership products in addition to your mortgage payment, these services will not be continued. You should contact the provider of the optional insurance or membership product directly regarding any continued availability.

At year-end, Fremont Investment & Loan will send you a statement reflecting your account activity for the portion of the year we serviced your loan. Your new servicer will send a statement for the portion of the year they serviced your loan. You will need to ronsolidate both statements to obtain the totals you paid for principal and interest. (Over)